

A Tale of Pastries, Pants and Flat Fish

Edited by—*Jean-Pierre Adeline*

Denmark is known for its succulent pastries, often copied but never achieving the mouth watering excellence of the originals. In the apparel industry, Denmark ranks fairly low among Europe's producers, its capacity having been eroded by high costs and rising imports. One company, with KSA's help, has achieved a measure of success, making it a model often referred to enviously by European competitors...Brandtex.

Its success posed problems for KSA because, stretching back to 1972 and covering sewing, cutting, PD, MIS, supply control and other traditional KSA specialties, we were reaching the limit of achievable improvements. Despite high labor costs and a home market more open to imports than most in Europe, Brandtex had developed into the dominant Danish producer of women's slacks, tops and skirts with a 60% share of the home market and exporting about 45% of its output. Since KSA's first assignment, they had increased sales five-fold by 1978 when it shipped goods worth \$20M. This in a country with a population of just over 5M, smaller than Chicago and not much bigger than Philadelphia. Brandtex had become the most productive women's wear producer in Europe with the shortest production times on this continent.

Several factors prepared the way for the assignment, which is seen as a breakthrough in Europe. First was the confidence built as a result of successful work by KSA, and the close AE relationship fostered by *Hardy Artelt*. Second was the company's owner, *Max Peterson*, who took over from his father in 1969 and brought a keen awareness of the importance of strategy and an understanding of need for aggressive marketing. His philosophy is best summed up by his answer to Hardy and *Ulf Weise* when they asked him to describe his marketing strategy: "There are 350M people in Europe and half of them are women...that's our market." Another factor was management's awareness of the need to remain not only productive but highly profitable in the face of price pressures from offshore imports.

This called for more consumer-oriented styling, for a high level of quality—maintained through long or short

runs—and for cost reductions that would make the price/quality ratio attractive.

One important condition for meeting the marketing objectives was that sales to large distributors, including mail order houses, should be boosted. To do this, it was necessary to exercise close control over fashion content which had to be sufficiently developed to make the range attractive to consumers, yet not so advanced that it created sales resistance in the volume market. Again, the buying schedules of large distributors called for earlier preparation of the collections and steps were taken to ensure the styling approach, including fabric selection and purchase, did not produce a high risk situation in terms of fashion evolution. Finally, the solution of these marketing problems should be linked to simple and economical control procedures to reduce administration and overhead costs. Only then could added volume be translated into greater profitability.

To meet these needs, we developed an approach which, though containing elements of improved supply control

Continued on page 3

KSA Signs Its SALT I Agreement

By—*Joe Reid*

"A SALT MINE! IN CLEVELAND! What did Joe do to irk KSA?" That was the reaction of our last client when *Bob Reeves* told them of my next assignment. Bob replied with typical aplomb. "This is a reward. You should see where he would have gone if this job had not turned out so well!"

Cleveland, sometimes called the mistake on the lake... the city where the river burns...where default has found a semi-permanent home...where the present mayor missed being recalled by less than 100 votes...and the past mayor set his hair on fire...twice!

What was it *KS* said about lots of good fresh air? Cleveland has its share of such good points as excellent food, first rate entertainment, quality shopping, and outstanding recreational facilities...Cleveland is turning into a silver-lined cloud. It also has one of the largest salt mines in the world, producing two billion tons of rock salt per year from 20 ft. high seams, 1800 ft. below Lake Erie.

Our project is to assist the International Salt Co., develop a maintenance training program for its mechanics and electricians. For the the last few years they have experienced difficulty hiring and retaining skilled maintenance personnel. Although there's a large labor pool, skilled jobs remain vacant every year, with available people choosing the big automotive plants in the area paying attractive UAW wages. Mine management decided the best way to fill their need was to de-

Continued on page 4

All KSA employees have been advised of *Kurt Salmon's* wish. In the near future, we will publish a commemorative brochure to honor this man who is so much a part of us and who will live in our memories. Any personal recollections by our readers will be considered for the brochure if they are sent to the Washington office at once.

The last of his articles entitled "Random Recollections" appears elsewhere in this issue.

Chairman's Corner

The Value of Publicity

As of this writing, KSA's business remains strong and shows no sign of slacking off, despite the gloomy news in the general press about the recession. There are probably many reasons for this, a number of which were touched on by *Jack Ullman* in a recent memo to staff.

One reason for the volume of new business we have been getting would appear to be the result of the great amount of publicity that KSA—particularly KSA/USA—has enjoyed in 1979. This includes the *Business Week* articles on the apparel industry and on consulting. It also includes several items in the trade press and references to KSA in the *New York Times* and the *Atlanta Journal*. Most recently, publicity on the DOC Export Studies has featured KSA's name prominently.

It is, of course, often impossible to relate new business contacts directly to PR. In some instances we can do that, and such is indeed the case with the American Express Company and American Telephone and Telegraph Company. These companies contacted us after researching the field and finding KSA's name appeared often and prominently in the material accumulated. More often, the relationship between PR and new business is less direct and more in the nature of a favorable cumulative effect of PR on our image and recognition factor. The more publicity we get, the more potential users of our services will develop the idea that KSA is the outstanding consulting firm to their industries.

While there may be some value in just having KSA's name mentioned, really effective PR must be built on substance, as always. It must relate to matters of interest to the readers we want to reach. Imports and exports are both issues of real interest and, hence, the effectiveness of PR related to these activities. Much recognition for our PR efforts must go to our PR Department...all members of it. They often have a lot of frustration in serving many industry and functional managers at the same time; they have to cope with conflicting priorities, impossible deadlines, and in some cases, substandard input. It is then particularly rewarding for them to see the specific and cumulative results of their efforts.

In the last several months, events have been working for us. It may be a long time before anything similar to the *Business Week* articles will be published. The DOC Export Study will produce a lot of publicity but that, too, will play out and we may not see anything quite like it for a long while. Now is the time for us to be thinking about new stories about our work that we can create ourselves. We need to be thinking about new developments and new trends that are important to our industries. We need to write and speak intelligently about them, and become identified as leaders in the industries we serve. We must always remain professional and responsible, but we can well be a bit provocative and even controversial. In this, we can use the contribution of everyone. Come forward with ideas you have on interesting articles or other forms of PR.

We have raised our PR profile and rounded out our image as full-service management consultants, and we

are increasingly recognized outside our traditional industries. We have come a long way, but there is still some distance to go before we have the position we want in all consumer products and services industries. High quality work, aided by good PR, is a formula that seems to work for KSA. —SAK

Letters We Like to Receive

Joe Scheines was the recipient of this one.

"Dear Joe:

"As President of the Clothing Manufacturers Association of the USA, I wish to congratulate you and your associates for the superb seminar you conducted for CMA on May 3, 1979.

"The presentations were most provocative, comprehensive, and enlightening. The very important and very specific data brought forth justified the record turnout—the best in 10 years, and I heard nothing but praise from attendees.

"I also would like to take this opportunity to express appreciation in behalf of our Association for the very important service you are rendering to the entire men's and boys' tailored clothing industry and to suppliers by conducting these seminars periodically for CMA over the past 15 to 20 years.

"Incidentally, your organization has conducted more seminars for CMA than all other outside management consultant firms combined. We hope to call upon you in the future, and while 1979 was the best ever and will be hard to beat...we certainly hope you will try!

Sincerely,
Lawrence W. Ward, President"

Sympathy

It saddens us to tell you of the traumatic loss of several colleagues. *Carolyn* and *Zeb Roberts'* daughter, *Jan*, was fatally injured in an auto accident July 4. . . . *Mike Schneider's* wife, *Barbara*, lost her life in an auto accident July 4. . . . Yet another auto accident claimed the life of *Bob King's* mother, in which his father was critically injured. . . . *Pete Paddrik's* father died June 19, *Jill Steinberg* (NYO P.R. Dept.) lost her mother July 2, and *Abbie Jean Quick* lost her only sister with whom she had lived since retirement.

We wish to express our deepest sympathy to these bereaved KSA'ers.

THE KSA OBSERVER

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

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

Volume 10, No. 3

September 30, 1979

Random Recollections

By—KS

A Pennsylvania manufacturer, Mr. Snelbaker, wanted to establish a southern branch plant and had made suitable arrangements with the city fathers of Waverly, Tenn. We met at Nashville and I was given the assignment to design the plant and to get it started with properly engineered shirt and pant units.

This was the first time I had the opportunity to precede the architect and I tackled it with relish. It was also the first time I had to “engineer” production units consisting of nothing but inexperienced workers.

Mr. Snelbaker had asked me for assistance in staffing the management of the plant and I had recommended a certain Mr. Shoemaker whose application I had received. I also asked Mr. Snelbaker to recruit one or more experienced foreladies, a mechanic and a cutting room supervisor.

Came startup time and what was the cadre assembled? A mechanic and head cutter, both of whom appeared to know their business. So far so good. The forelady turned out to be a very nice lady indeed. She had been a “shoulder joiner” in a shirt factory some 30 miles away and that’s all she knew about. She could not attach sleeves, close the sideseams, attach collars or pockets.

Having recently turned 69, it seems strange to be writing this, but...the superintendent turned out to be some 65 year old foggy who spent half his time in the boiler room and the other half at the post office to see whether any more mail had arrived. He was truly useless. I asked Mr. Snelbaker whatever had happened to the prospect I had mentioned to him. “Oh,” he said, “we could not afford him. He wanted \$200.” “My God,” I said, “how little a month do you expect to pay?” “Oh, we pay our people by the week,” retorted Snelbaker. “Well, I’ll bet you any amount you want to name, he wanted \$200 per month, not per week,” was my response. “Well, I’ll be darned,” said Mr. Snelbaker, “do you suppose we did not communicate?”

It turned out that I was right but what with the contract the first manager had, etc., it was not until the end of my assignment that those two finally got together. So here I was, I had never sewn, never had to. How were we going to get that plant going.

Well, I taught myself Operations 1, 2, and 3 one evening, interviewed and hired applicants between 7:00 and 8:00 a.m. the next morning, put them to work at 8:00 and shared my newfound knowledge with them...with the help of my forelady who was in the same straights.

From 6:00 to 7:00 in the evenings, we had “ripping parties,” ripping out the bad work produced by our green operatives under the guidance of our green instructors and repairing it as best we could. Then home for a bite to eat and back to the factory from 8:00 to 11:00 or 12:00 for more ripping and teaching ourselves Operations 4, 5, and 6, so as to be prepared for the next day’s crop of hires.

To say that it was not the ideal way to start up a factory is the understatement of the century. We sweated blood! It was then and there I resolved that, if I ever had anyone else working for me, I’d give him the chance to learn to sew first, before sending him out as an expert in engineering sewing rooms.

Mr. Snelbaker came down from Pennsylvania periodically. He was a very indulgent gentleman and seemed to feel that all the “seconds” we were producing were to be

expected. Perhaps he was too impressed with how hard we worked to be more critical.

We had an ample supply of applicants and could choose good “operator material” from among them. Eventually, a few experienced applicants showed up as well and proved to be of great help.

We got our units going and the factory is still in production...albeit under different ownership. At times, we were wondering whether we’d ever get on top of our problems. It was quite an experience but I was fortunate to have been 27 years young at the time.

In later years, whenever plant startups were at hand, we made sure of a cadre of experienced supervisors and trainers before we started the production units as such.

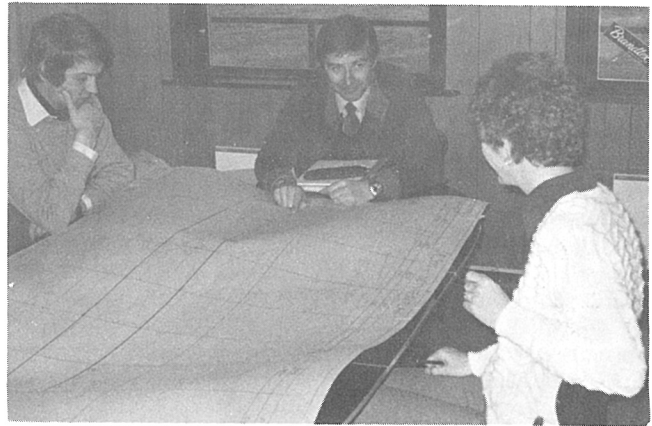
You wanna know how I learned to sew? The hard way!

Pastries, Pants and Flat Fish—Cont.

and internal administration, relied heavily on one major technique new to the client...seasonal planning.

The project looked good on paper but sale of the implementation was not a foregone conclusion. It called for some basic changes in the client’s organization and procedures which, at one stage, top management thought they might achieve themselves without help from KSA.

We finally got verbal approval from Max Peterson and started to work on that basis...nothing new in our relationship with Brandtex. After the first two assignments, we averaged one a year without a formal contract and billing some \$500,000 with no payment problems...convincing proof of the high degree of confidence in our relationship.



GEERT SEIDEL explains a seasonal planning aid to Brandtex personnel.

Hans Horst Hensche was project leader, *Henry Pawlik* was responsible for medium term planning, *Geert Seidel* handled seasonal planning and *Hardy Artelt* maintained his AE role and lending support where needed. *Peter Amrein* made a contribution through his earlier development work on seasonal planning under the special conditions that exist in Europe.

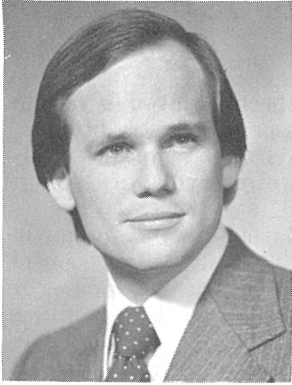
While Henry’s work on medium term planning involved no significant departure from KSA practice, Geert’s development of a seasonal planning system to meet the objectives called for imaginative innovation.

The system was to be easily understood and economical to operate.

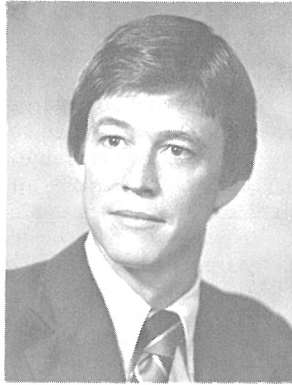
First of the three elements was the Seasonal Network Plan. The novelty here is that the standard Critical Path approach is projected in a simplified and effective way so

Continued on page 11

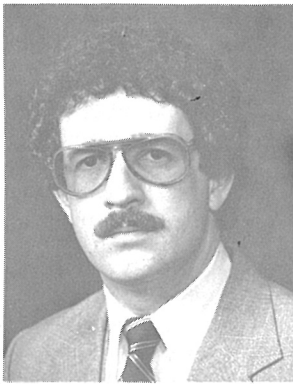
Principals Appointed



Todd Barr



Jim Hicks



Bernie Wolford

Congratulations to *Todd Barr*, *Jim Hicks* and *Bernie Wolford*. They became KSA Principals on August 13.

Todd, an asset to the PD group, began working in design and distribution analysis. His ability to solve complex problems and his interest in computer science were essential to the New York City Garment Center study and the Washington Manufacturing configuration study. Also, Todd has been in the forefront in obtaining and using the recently purchased micro-computers for which he designed a comprehensive payroll and operating performance system for distribution centers.

Jim began working in MMD, picking up a variety of skills such as SR, CRE, MU, PD, HRD, plus conversational Spanish. Six years later, Jim transferred to GM&M and continued to broaden his professional competence in organization and general management. Recent clients are Sears, William B. Coleman, Andover Togs, Holiday Inn and Jaymar-Ruby. Currently he's our project manager with CYDSA, one of the largest fiber companies in Mexico.

Bernie started his consulting career in the men's clothing industry with such KSA clients as Santone, M. Wile, and later Greif, where he spent three of his six years on this difficult assignment...the largest ever sold by KSA. Bernie's product exposure includes outerwear, women's wear, Pendleton shirts, life jackets, and now knitted tops at Munsingwear.

SALT Agreement—Cont.

velop the necessary maintenance skills among their long-term employees. They felt company loyalty, built over the years, could counterbalance the higher wages paid elsewhere. The responsibilities of mine mechanics and elec-

tricians are quite complex. They are highly skilled at troubleshooting and in servicing and repairing such things as diesel engines, hydraulic, pneumatic, electric systems, pumps.

Management previously used two vocational education programs to provide skills training: an Apprentice Program requiring 560 hours of classroom and shop training at a vocational high school and 8,000 hours (four years) of OJT; a Trainee Program requiring 288 hours of classroom and shop time with 4,000 hours (two years) of OJT. The program being developed will require approximately 12 weeks (480 hours) of classroom and shop time, held in a new training center being built at the mine site and will be conducted by International Sale employees. Management feels the program offers significant advantages over the vocational education courses.

Addresses Specific Needs—The vocational education system provides skills training for all industries, with the courses general in nature and when specific, slanted toward the area's largest employers. Our program is built around the equipment used in the mine. The tools, work rules, and priorities used in the training center are the ones used in the mine itself. The course content was custom-tailored to the mine's needs. The hydraulics, engine, pneumatics and electric systems covered are the ones the trainee will work on day after day in the mine.

Front Loaded Training—In the Apprentice and Trainee programs, the knowledge and skills for the job are developed slowly over two to four years. The theory and general information needed are covered in evenings at school and the application to specific equipment is learned during OJT. All training in the new program will be conducted before the trainee goes into the mine. He will have the skills and knowledge necessary to do his job and can begin making a positive contribution to the maintenance effort from the first day.

Concentrated Training Effort—Training is conducted eight hours a day, 40 hours a week. This concentration minimizes the need for reviewing old work, allowing more material to be covered in a given amount of time. Coordinated classroom and shop time provides immediate reinforcement and increases retention.

Improved Employee Attitudes—The commitment of the company to the development of its employees is clear. The training will be held in an ISCO training center, on ISCO property, conducted by an ISCO instructor. The course is designed to reinforce proper trainee performance, providing an employee with a positive attitude toward the job.

Management sees these obvious benefits and wholeheartedly supports the program. The new maintenance program has been christened HOTS (Hands-on Training System) by plant manager, Lew Bush.

Congratulations!

Wedding—*Donnell Snite* and *Bob Mersereau* were married in Grand Rapids, Mich., September 2. They plan to live in Chicago where Bob, having taken a leave of absence, will be attending Northwestern University School of Management for his MBA. Best wishes for much happiness in your marriage and good luck at school. We look forward to your return.

Births—*Julia* and *Terence Keating's* first son, *John Michael*, was born June 6. The proud Mother has returned to her duties in Department T at the Atlanta of-

Continued on page 5

Expanding the West

By—Lynn Spuhler

While waiting out the worst winter in history at Ripley (believe it or not), Tenn., one could only dream of warm summer days on the beach. It was about this time we received a "calling" from KSA. It said "Go West Young Man." So, the first week of May we moved to San Diego, Calif. to begin the Ratner cutting room project.

The Ratner Corporation is a major West Coast men's clothing manufacturer producing Grade Two coats, Grade X coats, suit pants, vests, and casual slacks. These products are marketed and labeled through two major divisions. The Ratner Division is responsible for the better grade suits, coats, and casual slacks. The DiMitrei designer label and a small chain store business are also marketed by Knack.

In addition, Ratner controls the famous Hang Ten logo. Although Ratner has never manufactured products for Hang Ten, the "feet" are sold around the world on a license basis.

In the late 60's and early 70's the company had several manufacturing plants, tremendous volume and was very profitable. Twenty-five thousand suits a week were being produced. The philosophy was to produce as much as possible, whatever the cost. However, the decline of leisure wear and the mid-70's economic crunch nearly crippled sales. The manufacturing losses were financed only by the ultra-successful marketing of Hang Ten.

Since then, Ratner has made several major changes in manufacturing. Consolidation of all manufacturing facilities brought the cutting room, two coat shops, a pant shop, a vest shop, and the warehouse to the Chula Vista, Calif. plant. Emphasis was added to engineering and cost control. For the first time in many years "outside" assistance was considered.

KSA participation began in 1976 with a complete survey of the central cutting facilities in Chula Vista (a suburb of San Diego.) A Cut Planning/MU project was started soon after, with estimated savings of \$750,000. The success of the MU project and the need for accurate direct labor cost information led to the cutting room engineering project.

During Phase I engineering, 10,000 coats, 10,000 pants, and 4,000 vests were cut weekly. These units were spread among 30 coat styles, 40 pant styles, with over 400 fabric lots each season. The cutting room direct labor force numbered 105.



Congratulations—Cont.

... Brenda Baldwin also from Department T) and her husband, Phillip, are proud of their little daughter, Kimberley Dianne, born August 31. Although two months premature and weighing only 3-lbs. 15½-ozs., she is healthy and doing well. Congratulations to the Keatings and Baldwins!

Government Assistance to the Apparel Industry

By—Jim Wilcox

Most of our associates have been involved in various programs of assistance to the apparel industry provided by the U.S. Government. This is an attempt to briefly recap the high points and inform everyone of developments.

Whether or not we are philosophically or pragmatically opposed, it seems inevitable that the government will be funding substantial assistance to the apparel industry. At this writing there has been no clear definition of the total but it could well be on the order of \$500M over a three-year period in technical assistance, loans and loan guarantees. KSA and the industry in general are still in the process of establishing a position regarding this. Basically, we have concluded that (a) the funds seem certain to be provided at some level, and (b) it therefore becomes our responsibility to do what we can to see that they are utilized in the best possible way.

It would be impossible to recap all the programs or even those in which KSA is directly involved, but we would like to outline three major categories:

Export Assistance—The Government is convinced the U.S. apparel/textile industries must take a more aggressive stance toward exporting to improve our trade balance. The KSA study for the Department of Commerce is designed to interest textile/apparel firms in furthering their exporting opportunities. We also understand there will be a number of other elements such as the Government providing assistance in overcoming non-tariff barriers and possibly creating a trade company to help smaller companies get their products into foreign markets.

Trade Adjustment Assistance—There are 10 regional centers around the country responsible for providing technical and financial assistance to firms certified "import impacted" under the 1974 Trade Act. Once a firm is certified it becomes eligible for a diagnostic study to develop a recovery plan, which can involve almost any aspect of the

Continued on page 6



A belated retirement dinner was held for BOB HINCK in Atlanta June 22 to express KSA's appreciation for his years of loyal service. Jack Ullman presented Bob with a big box—a beautiful, rosewood clock—for his and Berta's (left) Florida home. Other party-goers (L to R) are Evelyn Ullman, Cecil Phillips and his wife, Louise.

Ed Owen Marks 25 Years With KSA

July 27 was the anniversary date, but Ed began celebrating June 22 when *Jack Ullman* presented him a 25-year watch. Then on Saturday, July 28, a small, personal party was held in Greensboro. It was combined with a day of golf...the "1st Annual Ed Owen 25th Anniversary Golf Tournament." Ed just happened to win the trophy!

The Greensboro dinner group included the *Striegels*, *Miss Jackson*, the *Chisenhalls*, the *Wilcoxes*, the *Oakleys*, the *Malburgs*, *Jack Sanders* (a former KSA colleague) and, of course, Ed. After he was presented the trophy and some humorous gifts, Jack Sanders read the following tribute which he had composed.



Ode to Ed Owen and his Golf

Twenty-five years are marked
By this day
Of your slaving and toiling
For old KSA.

To do you great honor and
Bring you much cheer
This group of your friends has
Thus gathered here.

We've tried our best to make
This your day
And done all we could to have
It your way.

Today while at golf we even
Let you win
To boost up your ego and
Bring out a grin.

Oh, you sliced and you hooked
As your eye left the ball
Really you didn't play well
At all.

You moaned and you groaned
And you shouted and cursed
As your drive left the tee
In a manner dispersed.

The sand traps were fierce as
They yawned in your face
And swallowed your balls
Which you therein placed.

Fairway shots were beyond
All belief
And when no one was injured
We sighed with relief.

You got in the woods as well
As in clover
And as you came out we all
Ran for cover.

Your chipping was horrible and
Gave you much trouble
As you hacked at the ball
And reduced it to rubble.

Putting, old man, was fearful
To behold
For seldom did the ball come
Close to the hole.

In spite of it all, though
And all that you've done
We had a good time and
A great deal of fun.

Now this story is over and
With joking aside
There's something to say in
Which we take pride.

We've known you "forever"
In work and in play
And we drink to your honor
On this special day.

And now, dear Ed, as I come
To the end
We want you to know that
You're our very special friend

Government Assistance—Cont.

business...market repositioning, diversification, manufacturing improvements, organizational augmentation, etc. The recovery plan can be prepared by the company or—as is usually the case—by an outside consultant. Once this is received the firm becomes eligible for technical assistance to implement the plan. The firm pays 25% and the government pays 75% and can receive loans or loan guarantees up to \$3M. We have been involved in a number of these studies and several had led to Phase Two implementation of the recovery plan.

Structural Assistance—A number of specific projects have been funded through Georgia Tech, Philadelphia College, and JTR in Cambridge, Mass. Examples: (1) Technology assessment of the apparel industry and opportunities for development of new technology (Georgia Tech), (2) Available marketing strategies (KSA), (3) Apparel/textile interface (Philadelphia College), (5) Success strategies for clothing companies (originally awarded to KSA, but withdrawn because of similarity to #2 above and awarded elsewhere), (6) Job training for tailored clothing companies (JTR), (7) Production control and feedback system in the clothing industry (not yet approved but KSA is among four finalists.) Currently,

Ervin Burkholder, who heads the structural assistance element of government assistance is trying to come to grips with the whole area of technological improvement within the apparel industry including the possibility of developing a series of models to determine priorities for technology development.

It's impossible to be comprehensive regarding these programs but perhaps this brief summary of selected programs will be of interest to those unfamiliar with the matter. We intend to take a balanced approach to government work, as only a supplement to our commercial practice. On the positive side, the government budget seems recession-proof so these projects could be important to us during the latter part of this year and early 1980.

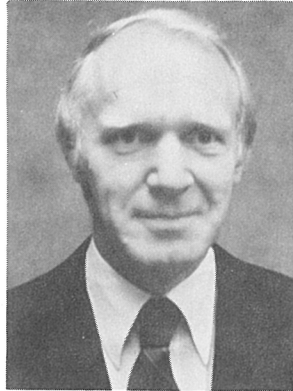
Dateline: Manila

FLASH . . . *Barts* (Tom) and *Gilreath* (Chuck) selected for the Phillipine team to race in the Royal Singapore Yacht Club Centennial Regatta in October. They will row in light pair and light four competition against crews from London, Sydney, Singapore, Hong Kong, Rangoon and Madras.

Tenth Anniversaries

Congratulations to *Ken Campbell* who celebrates his 10th anniversary October 1.

Ken, a Tennessean, received his BSIM in 1956 from the KSA Preparatory School, otherwise known as Georgia Tech. He joined KSA in June of that year and worked extensively in apparel engineering. After four years, Ken left to obtain an MBA from the Colgate Darden School of the University of Virginia. Upon receiving his degree, he was general manager of a concrete products firm and was also president and owner of a recruiting firm.



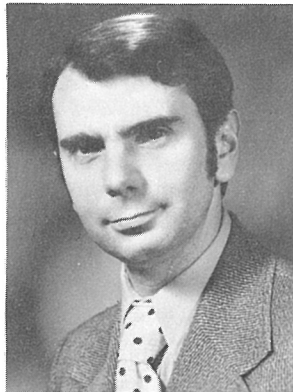
Fortunately, Ken missed the challenge and variety inherent in a consulting career and rejoined KSA in 1969 as a member of the MIS group. He has worked in a variety of products and industries... luggage, leather products, shoes, sporting goods, cutting and spreading machinery, apparel, textiles, and health care. As demonstrated by this wide range of industries, Ken is an extremely solid and capable Principal and does a great job in maintaining the confidence of his accounts...most recently seen at Merit Clothing in Montreal, where he initiated a number of systems projects as well as an organization and management incentive compensation study.

Ken thoroughly enjoys consulting and works well in the management development of new consultants. This concern for the development of young business people is also demonstrated in his work for the Darden School, where he served as a Trustee for the Sponsor's Program from 1966 to 1975.

Ken, his wife, *Barbara*, and three children reside in Atlanta.

Jean-Paul Freneat joined KSA September 22, 1969. He holds a BS degree from the University of Paris and has linguistic abilities in French—his native tongue, English, Spanish, Portuguese and some Italian.

After initial training in Atlanta, Jean-Paul did a few assignments in the U.S. and Canada, but early in 1971 was assigned to his first Latin American project (MU) for a Mexican client in Monterrey. The successful completion of that led to another cutting room project, for BVD in Puerto Rico. With a few more assignments in the U.S. and Canada behind him, he returned to Europe in May, 1973 where he worked for KSA-France in Portugal and Spain until his return to the U.S. in August, 1974.



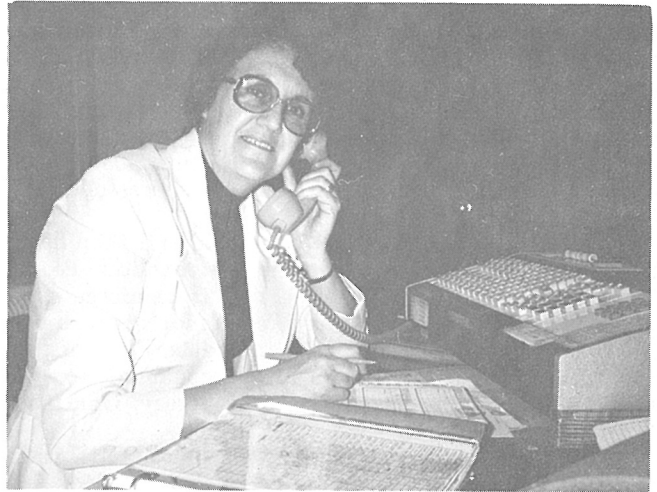
With our expanding activities in Brazil, Jean-Paul agreed to spearhead our efforts as "our Man in Rio," and relocated there when we established our first independent company in Latin

America.

Since then he has weathered many a storm in Brazil, dividing his time between actual project work, supervision of projects, PR and sales efforts. KSA do Brazil S.A. has since moved to Sao Paulo, where Jean-Paul, Jocelyne and their two children now reside.

Operating a Brazilian company has had a great many vicissitudes, largely due to Jean-Paul's tenacity. KSA received the unique approval to undertake dual contracts in dollars and cruzeiros. Brazil, like many other developing nations, protects its currency and it is only through this complex procedure we have been able to carry on our business there.

Jean-Paul, congratulations on your fast-moving 10 years with KSA, and your ability to handle our complicated "Latin negotiations."



Joyce Peters brought tranquility and order to KSA's New York office switchboard and reception area just 10 years ago. When she arrived we had five or six outside lines and an old-fashioned switchboard with cords and plugs for 14 extensions. Today we have WATS, SPRINT, lines to Princeton and the New York apartment, as well as 36 other extensions, all on a small console one-third the size of our 1969 model. As important as all of our equipment is to us, we value even more Joyce's quiet efficiency and her calm friendly voice with that elegant British accent.

Originally from Oxford, England, Joyce and her husband, Arthur, live today in Oldbridge, New Jersey. Their family pet is a big black Labrador Retriever. Joyce's parents make an annual trek to the USA from Oxford, visiting Joyce and her sister who lives in Queens. Joyce travels to the United Kingdom less frequently, but she managed to attend her niece's wedding in Oxford in May of this year.

In addition to being our receptionist and switchboard operator, Joyce manages our traffic and travel, from airline and train trips to reservations for KSA's New York apartment.

Congratulations, Joyce, on 10 years which have passed so quickly, and best wishes for many more with KSA.

Departures

It is with regret we announce that the following are no longer with KSA: *Jim Field* • *Bruce Grasso* • *Jim Haas* • *Bill Luttrell*. We wish them success in their future careers.

Health Services Division Fights the Good War

By—Ron Everett

Certificates of Need are becoming increasingly difficult to obtain, with bureaucratic entanglements more and more resembling intellectual war. This difficulty is enhancing our growth in the C.O.N. practice, which should continue as regulations get tougher.

Recently, HSD'ers have been caught in the "moral equivalent of war" or "win a Certificate of Need from the Health Systems Agency." (HSA is an arm of the federal government that controls the issuance of Certificates of Need.)

Don Seymour and Mark Richardson, our new members, have already been caught up in battle. Don has "fenced" with the Georgia folks, doing the intelligence work for Fran Fowler on the Habersham project. Mark participated in minor skirmishes which promise to be a major battle in Kentucky. He and Ron Everett are "negotiating" with the Big Sandy Sub Area Health Council, the EKHSA, and the State C.O.N. Licensure Board in an attempt to build a new hospital by the shores of Paint Creek in Paintsville, Ky.

While the battles rage on, Paul Flood and Fran have been working with the Richmond Metropolitan Blood Bank—could they possibly be trying to reinforce supplies?—while Virginia Lamb and Pete Paddrick are drawing battle plans for war in Ft. Lauderdale, Fla., for the Las Olas Hospital. They are also "scheming" to get C.O.N.'s in Virginia, Tennessee, New Jersey, Ohio and Georgia.

Frank McMillan and Jean Snow continue at ORU with the development of their computer system and it looks as if they will negotiate to install a major on-line computer for the entire City of Faith complex.

Jim Wermert, although participating in skirmishes, has also ventured off to Mexico on a GM&M project... it's rumored he had to hastily leave the country. Could it be that we are about to enter a real war? Pete is ready to sign either a peace treaty or article of war for the new Osteopathic Hospital in Port Richey, Fla., but hopes a truce is right and the client will be able to build a new hospital.

Kathy Collins is kept busy at battalion headquarters scheduling marching orders and battle strategies while Sheryl Siegel handles the Avis tank rentals and plane reservations.

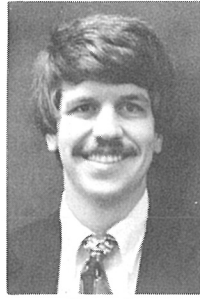
Virginia Lamb was injured in the line of duty...she fell and broke her wrist while trying to run between raindrops. She has recovered nicely and is now at the front lines again. She also had a problem with her weapon recently...her brief case was stolen. She was seen fraternizing with the "enemy" in an attempt to get it back.

As the caissons go rolling along, HSD is preparing for the 1979 AHA meeting in Chicago where it is expected intelligence action will turn up new wars for the mercenaries to join.

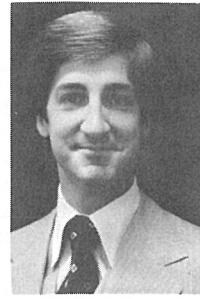
Good Health

Ross Runnels was hospitalized for a couple of weeks with severe back pains. When he learned that "flat-of-back" treatment would continue, he persuaded his doctor it could be done at home. With his trusty phone at hand, he was able to keep in touch with clients, projects and the

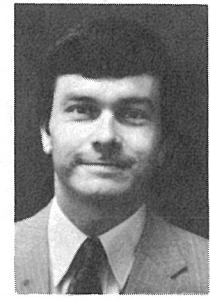
New Staff



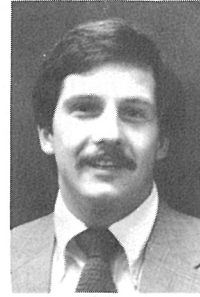
Brooks



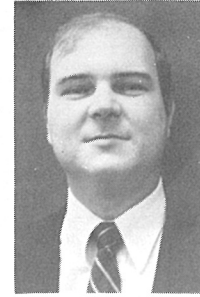
Grede



McKinney



Richardson



Waldrop

Tony D. Brooks...Age 29. Wife, *Molly*. BA, government and MBA, Harvard University. Independent contractor with Arthur D. Little and Harbridge House. Assigned GM&M. Interests: Carpentry, cross-country skiing. (Member U.S. Olympic Rowing Team 1972 and 1976, Pan American Rowing Team 1975, and U.S. Rowing Team 1973-74-75.)

Donald V. Grede (Pronounced Grady)...Age 31. Wife, *Nancy*. BA, history and music, University of Wisconsin, MS, management, Massachusetts Institute of Technology. Management trainee and lending officer, First Wisconsin National Bank (2 years); Marketing and P.R. Boston Stock Exchange (2 years); General Manager, Keystone Pipe and Supply Co. (2 years). Assigned GM&M. Interests: Music, photography, scuba diving, racquetball.

Thomas A. McKinney (Tom)...Age 32, Wife, *Tina*. One child. BS, biology, University of Arizona. MS, systems management, University of Southern California. Ten years, U.S. Marine Corps—Captain. Assigned MMD. Interests: Collecting guns, photography.

Mark M. Richardson...Age 23. Single, BA, biology, Colby College. MBA, health service, Cornell University. Part time and summer work was in the health field. Assigned Health Services Division. Interests: Skiing, sailing, photography, camping.

J. Michael Waldrop (Mike)...Age 32. Wife, *Becky*. BS, geography, U.S. Air Force Academy. Ten years in Air Force...Maintenance Control Officer for a 300 person communications division. Assigned MMD. Interests: Golf, racquetball, all sports.

office for two weeks at home. Ross, we're happy you've been given an A-OK by your doctor.

JoAnn Caldwell suffered a spinal fracture in an auto accident in July. She is now able to get around home in her brace, is making good progress and looking forward to when she can walk unencumbered. Good luck, JoAnn.

EUROPE . . .

European Overview

By—*Stuart Hollander*

As this is being written, the 8th Period has just ended and we are running some \$200,000 (8%) ahead of our budgeted fee income. Sales are also ahead of budget with some strong and some weaker areas. The latter are causing some concern that we may not maintain the present income lead but the holiday period in Europe is always a difficult time to maintain sales and, as yet, we see no real evidence of a recessionary lowering of interest in our services.

One of the more exciting features of the current year has been the growth in international activities. One aspect of this has been the greater volume of work for US-based multi-national apparel companies such as VF Corporation, Levi Strauss and Jockey International, as well as more frequent opportunities for bidding for international studies sponsored by institutions such as the EEC Commission, World Bank and UNIDO. Some of these have been in competition with lower cost firms but we hope to raise our batting average in this field. We have also had more opportunities of contributing to KSA's international efforts on behalf of textile majors and meeting more calls for assistance to exploit export marketing opportunities by European firms aiming at the US market and vice versa.

In our PR and marketing efforts, we are beginning to see KSA take advantage of its international standing. The contribution by *Alan Braithwaite* and *Dieter Fertig* to the AAMA seminar in the US is one example. *Rudi Greer's* presentation to a prestigious group of German retailers in another. Within Europe, *Hardy Artelt* and *Ulf Weise* participated in an evening for clients around *John Wilcox's* presentation of the US apparel Delphi study. *John Phillips* and *Juergen Steuck* are participating in an important conference of international textile retailers in Switzerland this fall and many more examples of this important trend could be cited.

On client billing, we continue to boost utilization of our resources and expertise on as wide an international scale as language and opportunities allow. This year's examples include work in Spain by *Fred Evans* (US), *John Beddows* and *Rod Gunston* (UK) and *Cesare Aspes* (Germany); an assignment in Denmark involved *Geert Seidel*, *Peter Pinder-Brown* and *Henry Pawlik*, all from Germany; *Jurek Piasecki* of the UK worked in Switzerland while *Werner Iten* of Switzerland and *Ferdinand Karpf* of Germany worked in Hungary; *Joe Mueller* (Italy) spends much of his time in Malta and *Bruno Castagna*, also from Italy, continues his work in the US; *John Rutherford* (UK) has been active in Portugal and *Roger Head* (UK) in South Africa while *Bill Wing*, *Steve Webb* and *Greg Kostin* from the UK have covered markets in various countries from Saudi Arabia to Finland in their work on the DOC study.

These by no means cover all international efforts but one in particular deserves special mention because it is often thought of as a domestic operation. I refer to the considerable involvement of consultants based on the larger of the British Isles (England, Scotland and Wales)

in our extensive practice in Northern Ireland and the Republic of Eire. During the past year, our billing in that area has seen a huge increase (from 15% to 35% of UK region apparel volume) under *Mervyn Kerr*. Work on Irish assignments has involved *Paul O-Brian*, *Jack Doyle*, *Peter Alderslade*, *Eugene McIlroy*, *Graham Lucking* and *John Haworth* in addition to most UK Principals.

I emphasize these international efforts on this occasion because it is a strength of KSA that we have under-sold in the past and upon which much of our future can be built. It reflects the needs of our internationally minded clients faced with the globalization of the industries in which we work.

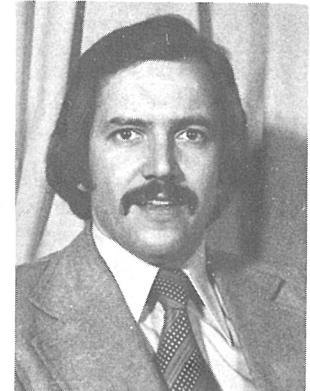
Of course, international operations are not possible without strong, profitable domestic practices in our home base countries—these we have in Europe.

Appointed Principal

Jurek Piasecki became a Principal on July 16. His very substantial retail experience acquired before he came to KSA, together with his wide ranging assignments during the past years, enabled him to make a major contribution to the expansion of our retail practice in the UK and Europe.

Jurek spends some 35% of his time assisting the German and Swiss retail effort while managing a number of other projects at the same time.

He and his wife, Linda, live in Newcastle upon Tyne, in North East England.



European PR News

In the March *Observer*, *Joe Scheines* mentioned his failure to produce his paper on US PR in December 1978. Take heart, Joe, our last PR report dates back to 1976 and no one had complained either! Looking back, we find some justification for our long silence...we were too busy doing it to write about it.

Since the beginning of last year, over 20 articles have been published under a KSA byline in technical and trade magazines in six countries. Another 10 are in the final draft stage...Reports in the press on releases, seminars, symposiums, presentations and KSA's own printed matter have filled many hundreds of column inches. . . . We have completed our second participation at the Leipzig Fair in East Germany, and at the IMB fair in Cologne.

Following its appearance in English last year, the German version of our "Credit Security Checklists" folder was printed and is being distributed to German financial institutions. The project was conceived to promote wider appreciation and knowledge of KSA's specialized skills.

In the last nine months three retail service and four

Continued on page 10

Literary Corner

When the English poet *Robert Browning* wrote his famous epic "How They Brought the Good News from Ghent to Aix," he little thought that, over a century later, he would inspire *Stuart Hollander* to produce for *Observer* another version of this masterpiece. The new version, written in honor of *Joep van Gent's* 10th year with KSA, on the occasion of a small dinner party for him and *Paula*, is reproduced here with our congratulations to both the driver and the author.

How Gent Brought Stuart from Brussels to Rotterdam

We ran from the client, *Joep van Gent* and me
We jumped in his car, we sped off all three
With Joep at the wheel, the tyres all a'squeal
Hoping the police were away for their meal.

The Belgian scenery was dull and so drab
But there I was in the fast rushing cab
At one hundred and twenty miles per hour
Through thunder, hail, lightning and shower.

We came to the border and Joep gave a cheer
For the only thing Belgian he likes is the beer
We traveled much faster like lightening grease
As Joep is well known to Netherland's police.

Our target was Rotterdam, Flight 247
In the rush to get there, Joep was in Heaven
With one hundred twenty miles on the dial
The roadside police reached out for his file.

Take-off was scheduled for ten after two
I just held on tight, what else could I do?
Joep was determined to show once again
That given a task, he's succeed without pain.

The jets were started, they screamed with a blast
As Joep put his foot down at two minutes past
He weaved in and out of the luggage and cars
And passengers staggering out of the bars.

Arrived, we queued up, we waited all three
Joep van Gent, me and the check-in lady
Had they a seat, were there still one or two?
While waiting the answer, I rushed for the loo.

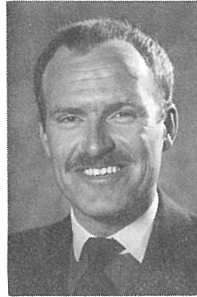
But Joep suffered on, determined to stick it
He stayed in the queue and bought me a ticket
A strip of paper, my pass toward home
The well earned reward of all those who roam.

At last on the plane, one minute to spare
We took off and I saw as we got in the air
The trail of Joep's car as it sped away East
Followed, I thought, by a blue-lighted beast.

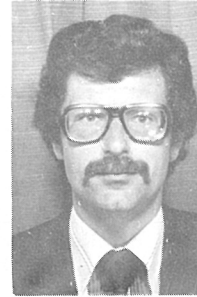
I saved half a day which I needed to cope
And I owe all this time to no one by Joep
I hope that to Paula he got back in peace
Without an escort from the local police.

To all who read this, if you want one who knows
The value of time and drives with his nose
A genuine fellow, no pretense or sham,
Take the Gent who brought Stuart from Brussels
to Rotterdam.

New Staff



Chandler



Newberry



Uthoff



Hodson

Alan Chandler...Age 35. Joined the UK PMS division June 9. HNC in mechanical engineering and a diploma in management studies, Harrow Technical College. Prior experience includes work study officer with a major UK store group, and he comes to KSA from the post of work study manager with a multiple chain in the South of England. Alan was in Atlanta for training. In mid-September he returned to his wife and two children at their home in East Clacton.

Malcolm Newberry...Age 53. Joined KSA-UK July 9. PPE degree from Brasenose College, Oxford. Has wide experience in distribution management, design and implementation of planning, information and control systems, and in industrial engineering. Worked as a management consultant with McLintock Mann and Whitney Murray. Since 1975 has been with Twinlock Limited, and from 1977 as Group Warehousing and Distribution Manager. He lives in East Grinstead, Sussex, with his wife and two children.

Dieter Uthoff...Age 36. Joined KSA July 16 as an accountant in our Darmstadt office. Before coming with us he spent a number of years with Babcock, Germany as accountant. He also speaks English. Interest: Photography.

Jane Hodson joined KSA August 6 as receptionist/junior secretary in the Windsor office. This is Jane's first job since leaving college.

Euro-PR—Cont.

apparel industry mailers have been printed and another six are in the pipeline. These are designed on the basis of a newly developed concept that has already produced responses of over 13% to an initial "cold" mailing.

Much progress has been made on the long-standing project of publishing in Europe papers comparable to the US "Perspectives." Because language problems over here multiply printing costs, we plan to publish these as special insets in trade magazines, using our own graphic approach, and enabling us to produce them at a fraction of

the cost of doing it alone. The first such publication has been completed in the UK and we are seeking a similar agreement with German and other publishers, and the next three in the series are well advanced.

In the past five years, KSA's corporate image in Europe has grown dramatically in strength and stature. In most major markets, we are recognized as THE specialist consultants to the industry. In another five years, we hope to achieve the same recognition for our other practices. With any luck, we shall also be able to report further progress in these pages before then!

—Jean-Pierre Adeline

Pastries, Pants and Flat Fish—Cont.

it can be understood and acted upon without special knowledge by anyone connected with planning activities. Because the projection has the form of a flat fish, is was immediately named "The Sole" by client personnel. Despite the name, it has proven very efficient and everyone is happy with it. At a glance, it shows the impact of possible delays in one area upon all the factors that determine punctuality of production.

The Collection Structure Plan, second element of the system, is the keystone of the project. It allows timely composition of the whole collection as called for by considerations of target consumers and distribution channels, price points, style, fabrics and delivery constraints. Application of structural planning procedures proved exceptionally effective in promoting better communications and cooperation between styling, sales and production, providing an optimum mix of styles, meeting delivery dates and reducing the number of possible style/fabric combinations without loss of sales appeal. The last result led to a substantial reduction in the cost per style in the collection.

Finally, the Seasonal Sales and Production Plan was developed as a forecasting and coordinating tool that also allows monitoring of performance in these areas. Here again, positive results led to further improvement in delivery performance, customer service, and sales volume.

Application of these combined elements helped Brandtex achieve better profitability and to streamline the design, production and sales activities. This produced more economical collections with greater sales appeal while reducing fixed costs and improving customer service.

At the end of the system's first sales campaign, the client was delighted. So much so that he sent us a cable giving details of the unprecedented sales results. These are only the first results. Further gains are expected as we continue to work on other improvements needed to extract full benefits from the systems installed. Current activities include the development of an appropriate planning approach to bring added security in forward fabric purchasing decisions and implementation of a sales improvement program on the basis of a modified sales personnel structure.

Though many assignments and relationships with European clients have proven equally successful, the Brandtex story is exceptional in the breadth of KSA skills and expertise applied to client problems and because of constant improvement of the client's performance under difficult circumstances.

While its competitors blame their lack of success on the way the cooky crumbles, Brandtex is well on the way to making its products as well known and widely appreciated as Danish pastries...thanks to a "flat fish" provided by KSA.

Coming Events

- October 11 Carpet & Rug Institute meeting, Atlanta. *Bob Saunders* will speak.
- October 20-23 Footwear Manufacturers Conference & Exhibition, Atlantic City. KSA will exhibit and introduce its first Footwear Financial Profile.
- October 23-24 Apparel Research Committee conference on Advanced Inventory Distribution Systems, Georgia Tech. *Dean Vought* and *Tony DeMaria* will participate.
- October 24-25 ATMI seminars, New York and Charlotte. *Freddie Wood* will explain how to measure and improve productivity.
- November 13 & 15 KSA will co-sponsor two export opportunity conferences with the Department of Commerce, New York.

Public Relations

Two new brochures have emerged from the labyrinthine passages of PR production. One (only a summer late) was our new corporate/international brochure—"Consulting Services for a Changing World." The other is a 16-pager on "Distribution Management"—our first functional, all-industry effort in this medium.

Our second textile productivity seminar was bigger box-office than the first, with 31 attendees in Charlotte. Textiles also got a push with a DNR article on electronics by *Bill Reed*.

As of this writing, they haven't happened yet, but we expect a busy American Health Congress in Chicago, a busy Bobbin Show in Atlanta, a well-attended seminar in Boston on distribution incentives for retailers (JIG), and a moderately well-attended Financial Breakfast in Los Angeles. The last two take place on successive days in September...only a continent apart.

Profile print-outs are selling well, despite their late appearance. Both Profiles went through the computer a second time to iron out some wrinkles.

Deborah Galloway accepted a position as account executive with an Atlanta ad agency in August, and we wish her well. *Irene Jurczyk* has moved over from her job as technical editor for Atlanta word-processing to join the PR department as a word-generator...and we regard this as a major coup.

—JS

The Peachtree Road Race



On July 4, 1979, 20,162 people from as far away as New Zealand participated in the largest road race in the United States. Atlanta's Peachtree Road Race began at

Continued on page 12

Atlanta



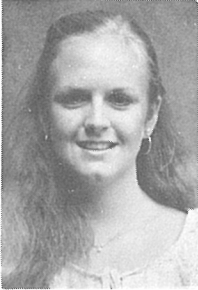
Collins



Kinard



Siegel



London



Dula



Dishinger



Mich

A warm welcome to a number of girls who have been added to the Atlanta office staff.

MSD has three new secretaries. *Kathy Collins* works for Health Services Division, and comes to us from the Arthritis Foundation where she worked for the Vice President of Administration... *Karen Kinard* is supporting the Apparel Systems Group. Karen and her husband recently relocated from Denver. . . . *Sheryl Siegel*, who joined us after six years with American Express in their Foreign Travel Department, is working for a mixed bag of MSD consultants.

There are two new employees in the mail room. *Denise London*—her first full-time job—and *Cindy Dula*, who recently relocated from Charlotte, N.C., where she and her husband owned and operated a restaurant.

Accounting also has a couple of new faces... *Nancy Dishinger* is our new bookkeeper and payroll clerk, and *Tina Mich* is handling all data processing duties.

Road Race—Cont.

8:00 a.m....relative humidity 82%, temperature 76°. In the course of 6.2 hilly miles, over 100 people collapsed and 33 were hospitalized.

And right in the middle of it (in my case, behind) were 20 KSA'ers, divided into three teams: MMD, MSD, Other Folks, who staged a little friendly competition. Points were given to each participant (for finishing time, age,

whether or not we qualified for a T-shirt, sex of runner, first-time-running-Peachtree, etc.) and then averaged to form a total team score. Other Folks placed first with 35 points; MSD second with 26.25, and MMD last with 24.38.

The runners were: *Cecil Phillips, Vern Deming, Janice Ryer, Dave Cole, Hal Wilson, Paul Connell, Frank Wise, Elliott Schwartz, Tom Dennis, Cheryl Connell, Jim Hicks, Pete Cleaveland, Chuck Gilreath, Bob Reeves, Charles Topping, Dan Donahue, David Mitchell, David Perdue, Howard Cooley and Ron Brockett.* —Janice Ryer



After the race a champagne celebration was held at DAVE COLE'S home, where the Hippomenes trophy for "most improved runner" was awarded jointly to RON BROCKETT (center) and BOB REEVES (right). HOWARD COOLEY made the presentation.

New York



Moore



Redlich

Denise Moore joined the New York office in April as our report typist. She previously spent three years as executive secretary with a financial firm. An avid numismatist, Denise is completing her BA in Accounting at night (when not counting her coins!)

Kathy Redlich was previously a teacher of music before joining KSA in June. Hired as "office ombuds-(wo)man" to help where needed, she's currently helping meet the extra demands on New York staff caused by the DOC study.