

Sales Force Engineering at Jockey International

By—Jim Wermert

If someone asked Jim Hicks what stands out most in his mind regarding the recent Sales Management job at Jockey, he'd probably muse for a while and mumble such things as "trying to manage the client," or "trying to manage my teams," or simply "trying to manage." However, without cogitating long, he'd no doubt conclude that the focal point of that Jockey assignment was the apparently successful application of industrial engineering techniques to sales force management.

We say "apparently successful" because KSA's recommendations are awaiting implementation. However, they certainly can be implemented, and KSA can make a similar procedure work for other companies in the industries it serves.

What presents itself is a marvelous opportunity for KSA to play from its unique strengths in developing a service which is much needed, particularly in the apparel industry. That service is the reorganization and reallocation of the client's sales force to newly structured territories as markets change and sales costs begin to rise as a percent of revenues.

Many apparel companies today seem to be in a state of transition. Fewer and fewer are the small entrepreneurial operations with annual sales of \$10 M or less. Instead, the companies are growing in size, developing increasingly professional management teams and discovering the strength they can develop in the market with effective advertising and brand penetration.

As a result, the role of the salesman in the apparel organization is changing as well. Less is the need for the "pure salesman"—an independent representative, or employee on straight commission—formerly absolutely vital in introducing the product into distribution channels each year. . . and fully expecting to earn income in the six figure range. Instead, faced with a cost price squeeze, at least partly induced by import penetration and rapidly escalating sales costs, professional managers are seeking more cost-effective selling approaches. They are beginning to turn to concepts which have been prevalent in apparel manufacturing for years.

KSA was offered the opportunity to apply engineering techniques to sales management. Accounts can be categorized and assigned different levels of work content through identification of appropriate service requirements and call frequency patterns. Although this is not done with a stopwatch, the underlying principles are similar. The objective, of course, is to optimize the allocation of sales resources to the tasks to be performed.

This was accomplished at Jockey by combining KSA engineering techniques with sound organization principles and progressive compensation proposals reflecting the requirements of equally sound management control.

KSA is prepared to prove this system at Jockey. It can be proven because it was developed by working with and through the client, much in the MMD tradition, rather than imposing ideas on him. As a result, Jockey plans to implement the system itself, relying on the strong support already generated within the organization.

The proof should come within the next few months.

Small is Beautiful . . . and Effective

By—Alan Braithwaite

Although the ultimate solution was relatively small, the original problem was very big indeed. Sutcliffe Melbourne, a UK manufacturer of men's clothing had 2,000 customers, 300 styles, 250 cloth numbers, up to 50 size variations and 8 factories. To complicate matters, about 75% of all deliveries were from stock, which called for close control of production planning, allocation of finished goods and constant attention to possible changes in customers' credit ratings.

To operate effectively, management needed fast and accurate answers to such questions as:

- What are we going to offer next season? (A question involving range of design, capacity planning and cloth scheduling.)
- What quantities and sizes have we sold, and how do they compare with the budget?
- What do we make and stock next?
- What cloth and trimmings do we have to buy now, next week, next month?
- When and how much of what do we put into production?
- What is the status of individual customer orders?

The complexity of the operation made it almost impossible to provide any of the answers accurately by manual methods. . . and these were too slow to be of real help for management.

Computerization seemed the only answer. But the company had no special computer department and no experts in this field. The system, therefore, had to be simple as well as effective. KSA was approached to assist in the system definition and management training, working as a team with the company's Managing Director and another outside consultant specializing in programming.

Devising the System—A step-by-step approach was followed that involved five stages:

Systems Definition: Objectives of the planning and information system were defined, a solution proposed, the benefits and costs estimated and an implementation program outlined.

Hardware Specification and Selection: Assessment of the various alternatives led to the choice of a Texas Instruments 990 310 mini-computer with visual display units that could be operated by office staff as part of their normal daily routine.

System Design and Program Specification: Main emphasis here had to be on speed, flexibility and simplicity of operation to meet the real control and information needs of the company. COBOL programming language was chosen for its ability to meet these needs with the selected hardware.

Programming

Installation and Staff Training: While installation was going on, special training methods were applied to ensure that all staff using the system learned to make the most of its capabilities.

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Random Recollections

By—KS

My First Trainee—I met *Ernie Meiere*, a very nice young Georgia Tech engineer who had been resident engineer in a Blue Bell plant and was applying for the same sort of position at a plant in Athens, Ga. Shortly thereafter, I received a letter telling me he would like to join me, learn my ways, etc. I'd been getting more inquiries, had one job sold in Kansas City and two prospects nearby, so I asked him to join me on the job at Norvelt, Pa. He lived with us and "learned my ways" by helping in the factory. When the assignment was finished and the factory turned over to the client's personnel, Ernie went to the Sun Mfg. Co. work shirt factory in St. Joseph, Mo., and my family and I drove to Kansas City to begin my last personal staff assignment at Cowden Mfg. Co.

My First Unionized Plant—Cowden's was the first unionized plant I engineered. It was a huge assignment involving conversion to straight line systems of two trouser units, three units making overalls, one work shirt unit and, later, the engineering of their cutting room. I was very conscious of the importance of this assignment and studied on-going operations very intensively and quietly during the early days, trying to establish a sound foundation from an industrial engineering point of view for the straight lines to be designed and installed.

It became customary for me to join the Cowden management at their table in the company's cafeteria for lunch. After a few days, *Mr. George Cowden* suddenly announced, "I have been watching this young man and I've figured out what it takes to be an industrial consultant...all you've got to do is stand around, look wise and say nothing!" Great hilarity all around.

Thanks in no small measure to management's support, the assignment went smoothly, resulting in great savings and an appreciation for modern operating methods and conditions which, in a few years, led the company to abandon their big city operations and move to a number of small Kentucky towns where they are still functioning and growing.

Cowden gave me permission to drive to St. Joseph once a week to supervise Ernie. Things there went very well until one day the client said, "Mr. Salmon, we don't want you to get us wrong, we like Ernie and he is doing a good job but you are the fellow we've been hearing about and we want to know whether our money is not just as good as Cowden's and whether you can't give us half of your time and give them half of Ernie's time?" The idea was preposterous and I managed to talk them out of it, but it did set me to thinking. What if my next assignment were to be in New Orleans and Ernie's in Boston? I couldn't expect the Boston client to pay my round trip air fare from New Orleans bi-weekly. To pay it myself would decimate the profits; not to go would mean wrapping up my brief but well-earned reputation for safekeeping and risking its continuity on some other man's unsupervised labor. This was unthinkable.

It seemed logical to ask the question, "How many men would be required to support me with their staff work, so I could restrict myself to sales, surveys and supervision so that question would not arise again?" A sliderule computation indicated 3.3, so I rounded that to four, allowed an idle time factor on top and arrived at the conclusion that a practice which could support me would require four more men. I knew where some of these men were; inquiries produced the names of others. The next step was to find a means to train them and to effect a transition from a 1-2 man consulting team to a company of six.

I consulted with the Cowden people and obtained their consent to absent myself as needed to follow up inquiries and conduct brief surveys in turn for bringing new associates to their shop who had experience. I would acquaint them with my operating methods by having them work free of charge. . . which Cowden would have otherwise paid me to do. I would supervise their efforts and stand behind the end results. Cowden may have gained some free engineering out of the deal. I certainly tried to see that this would be the case. To me, it was a priceless opportunity to begin an organization in a responsible and gradual manner and I will always be indebted to Cowden for agreeing to that arrangement.

Curiosity in the Big Leagues—Cowden was a prominent supplier of union-label workwear to J. C. Penney. Word about their extensive engineering program spread not only in the manufacturing segment but also the retail sector. Thus, I was not surprised when I received an invitation to visit the head of a buying department of Sears, Roebuck in Chicago. . . let's call him "Mr. L." He was a florid little fellow and quite amiable. He mentioned he had very good reports about the Cowden program and then the conversation took the following turn:

Mr. L.: "Cowden is not one of our suppliers but we have a number of firms servicing us with the same sort of merchandise and I'd like to interest them in the sort of cost reduction program you instituted for Cowden."

KS: "That would be very gracious and we'd be happy to see what we can do for those people."

Mr. L.: "Oh, I'm sure you could help them a great deal. Now, in order to arouse sufficient interest and get something under way, I'd like to give them an idea of the savings they can expect. How much did you save Cowden on a dozen basis in overalls, trousers and shirts?"

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KSA Asked to Help With Industry Problems

Stig Kry has been named to the Polymers, Synthetic Fibers and Apparel panel of the Committee on Technology and International Economic and Trade Issues of the National Academy of Engineering. The group consists of representatives of the chemical, fibers, fabrics and apparel industries. The chairman is *Denney Freeston* of Georgia Tech, and the committee's charge is to examine long range interrelationships among the industries that make up the soft goods chain.

Stig has also agreed to serve on AAMA's Long Range Planning panel, which is concerned with future directions for the apparel industry's major trade association.

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 Mary W. Baach at 7944 Meadow Lane, Newburgh, Indiana 47630.

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

Volume 11, No. 3

September 30, 1980

KSA/USA

By—Jack Ullman

MANAGING OUR BUSINESS

The commercial side of KSA is quite properly of less interest to our consultants than the work they do. This is appropriate for a professional organization. While what we do for our clients must always remain our central concern, we must manage our own business effectively as well.

Our consulting staff has a right to expect those charged with management responsibilities to provide the leadership and direction which will keep KSA financially sound and make it possible for our associates and employees to enjoy rewards commensurate with their efforts and performance. As stockholders, you have a right to expect sufficient retained earnings to finance growth and provide an appropriate return.

In the long term, our financial and growth objectives can be realized only if we:

- Continue to provide top quality service to our clients.
- Continue to attract and retain top quality people.
- Understand KSA's markets and develop and deliver appropriate services for these markets.
- Continue to refine and develop our P.R. and marketing skills so that KSA business development will keep pace with our needs.
- Manage our practice effectively.

For the longer term we are engaged in a strategy audit. We will look to the results of this audit and subsequent implementation steps to help us plan for the future.

1980/1981—In the shorter term—from year to year—we must manage within the economic environment of the times and be able to shift gears quickly in order to take advantage of opportunities as well as to react to adverse conditions when they occur.

We're in the midst of our third recession in ten years. The recessions of '70/'71 and '74/'75 affected our performance severely. Those results are history. They were difficult periods and adversely impaired our growth and profitability during the '70s.

While the current recession is far from over, KSA/USA may have absorbed its worst. Our capacity is essentially in balance with anticipated requirements. We will continue to recruit conservatively until we see the future more clearly. Despite substantial open time during the first eight periods, our billings and margins are close to budget.

Our Leading Indicators—KSA's "leading indicator" is our rate of sales. A look at the last year shows:

Annual Rate of Sales

Second Half '79	\$13,500,000
Periods 1 — 8, 1980	\$17,500,000

Our dollar billings, first half of 1980, are up only 9% (down, slightly in real terms), but our sales rate is up some 30%, and 20% above first half billings. This sales performance at a time of recession indicates that we've made real progress in our efforts to become more effective in our marketing and sales.

Looking back, it is clear that we have been rebuilding our backlogs. Open time during the first half of this year was a direct result of weak sales during the second half of last year, but this is essentially behind us now. If our rate of sales can be sustained, we should be able to reach billings of approximately \$18 million in 1981. This will represent some 10% growth in real terms for the two-year period. Our cash flow has permitted us to pay off two-thirds of the \$1.2 million borrowed only nine months ago.

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Principals Appointed

Congratulations to *Ed Loseman* and *Fernando Silva* on their recent appointment to the rank of KSA Principal. All KSA'ers join in wishing their colleagues continued success and happiness.

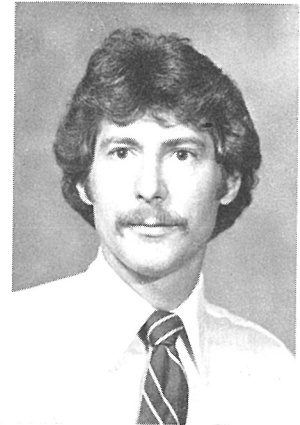
Ed joined KSA in October 1974, with a BS and MS from California State University. He began his training in downtown Warren, Ark., by developing ladies' sportswear cutting room incentives. Since then, Ed has been active in both CMU and SRE in outerwear, boys' trousers, knit shirts and men's suits. In 1978 Ed began to devote a portion of his time to the major assignment then underway with Holiday Inns. More recently, he's been involved with hotel and restaurant planning/design for a number of clients and has been active in the Hospitality Industry development.

Ed enjoys snow skiing, running, and even has one "free fall" parachute jump to his credit. Although he continues to relocate as the clients dictate, Ed has adopted Atlanta as his temporary home.

Fernando joined KSA in July 1975, after receiving his BSIE from Georgia Tech, having worked with KSA during the summer of 1974.

For the first two years of his KSA career, Fernando was assigned to MMD, working for such apparel firms as Manhattan Industries, Jack Winter, and Society Brands. Since mid 1978, he has been with the GM&M function, working with clients in the U.S., Canada and South America, including his native Brazil.

Fernando has his private pilot's license, and his interests include flying gliders. He and his wife *Genie*, and their young son live in the Princeton, N.J. area.



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This optimistic scenario—while encouraging—must remain speculative for some time. There are many indicators that the U.S. will endure a "double dip" recession. Even without that, inflation is not abating.

We Can't Let Up—Not all segments of our U.S. business (industries/functions) follow the aggregate sales pattern indicated above. Short backlogs and open time remain in some areas.

KSA/USA's leading indicators look promising. We're alive and well in the midst of recession. If economic recovery continues in the United States, KSA/USA is positioned for a

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Tenth Anniversary

Ron Chisenhall's tenth anniversary was celebrated on August 3 at the Greensboro office. Ron came to us from Corning Glass where he was becoming one of their foremost "glass" engineers. Prior to Corning, he graduated from North Carolina State University. In his senior year he attended a KSA-conducted seminar at State and had been thinking about consulting as a career throughout his early days with Corning.

We were lucky in convincing him to make the switch. Ron began working in our apparel MMD practice and rapidly distinguished himself as a solid apparel engineer. He was responsible for a number of landmark assignments with such major clients as Bodin, Big Smith and Pendleton. During his staffing assignments he was instrumental in the initial development of several of our strong young principals, *Jim Hicks, Steve Riepenhoff, and John Champion.*



Ron was appointed KSA Principal in September 1976 and settled in Greensboro. As he assumed supervisory responsibilities, his real strengths emerged and since then he has proven himself to be perhaps KSA's most "tenaciously analytic" thinker. In addition to his supervisory responsibilities with companies such as Pendleton, Lady Manhattan, and Lady Bayard, Ron has pioneered in the development of cost models to compare various manufacturing sourcing options in the U.S., 807, and the Far East. He's also done Far Eastern assignments for Monsanto and DuPont and currently has a proposal outstanding with a major Far East client—TAL.

Ron has also been busy expanding the breadth of his functional knowledge by participating in projects in systems, distribution and general management, and is also assuming account executive responsibilities for such companies as Tail, T. Edwards, Rocky Mount Undergarment, and Allendale.

The only thing Ron does better than consulting is being a family man. As the photo shows, *Mary B., Ronnie, Caryn and Marian* are surely his most precious assets. Mary B. has also done her share of development of some of KSA's better principals, serving as surrogate mother to *Tom Barts* and others over the years. We are fortunate to have such a family associated with KSA and look forward to at least 20 more years of having the Chisenhalls in the heart of our company.

Random Recollections/Cont'd from page 2

KS: "Mr. L, the savings achieved in one plant or organization have little relevance to what's possible elsewhere because conditions differ greatly from plant to plant. But, quite aside from that—and, if I may so—I don't think you *really* want to know the answer to that question."

Mr. L: "How's that?"

KS: "Well, I look at it this way. The reason you invited me here is that you have hopes of benefiting through lower prices to Sears from cost reduction programs undertaken by your suppliers and you wanted to get acquainted with me as a sort of first step in such an undertaking. If, through your good

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offices, such a connection should develop, my firm would have rendered you an ultimate service and, of course, we would have benefited from your gracious introduction. But how long do you suppose KSA could render such a service to Sears, no matter how indirect, once word got around the trade that we peddled confidential data of Penney suppliers to Sears and vice versa? I dare say our service potential to your organization would be quite short-lived. That is why I said I did not think you'd really want to know the answer to that question. By way of being positive, may I say we would very much appreciate an introduction to your suppliers and we will do our best to be of service to them, if we find the circumstances warrant."

Mr. L: "Well, I had not thought of it in quite that manner but I see your point."

A similar situation developed a bit later with a J.C. Penney buyer. A dozen pairs of workpants required about 4.5 manhours of sewing and pressing labor. The base rate in effect was about 40¢/hour, so the total direct cost was around \$2/dozen. The Penney buyer complimented me on the appearance of the engineered product and the factory layout and asked, "How much did you save Evan, 50¢/dozen?" I responded, "Oh, no, Martin, it was at least \$1.50!" He recognized the preposterousness of my reply, smiled and said something to the effect that I could not blame him for having tried.

It goes without saying that a consultant must always remember who is his client and protect his client's secrets. Attempt by third parties over the years to breach that professional stance have been a veritable testimonial to man's ingenuity. . . and not without their mirthful moments.

Unsung Heroes. . . or is it Hobos

The last *Observer* referred to a four-man relay team at Callaway. It was a three-man team, but the leader of the team preferred to be photographed with the winning team. Wonder why the loser is smiling?



Pictured left to right: Bob Reeves, Bill Cameron, Ken Osborne and Dean Vought.

Abbie Jean Quick Hospitalized

We are sorry to report that KSA's beloved *Abbie Jean Quick* was recently hospitalized and, at this time, is facing surgery. With her indomitable spirit, the skill of her good doctors, and the prayers of her many KSA friends, we're predicting a "quick" recovery for our Miss Quick. We love you, Abbie Jean.

News for Wives

The Observer wants more news for and about wives (and other spouses) of KSA consultants. Of particular interest would be some of the experiences of relocating families. . . the moving predicaments that seem funny now but weren't at the time, tips on handling storage of furniture, opportunities for education, managing two careers while relocating, and other stories and ideas that may be useful or entertaining to families just starting on relocation status.

Please send your stories and photos to the Editor. The next deadline is November 20.

More news about other relocating wives and families is one of the interests expressed at the wives' meeting at Callaway Gardens in March. Another request at that meeting was the revival of an earlier practice of periodically distributing a mailing list of consultants on relocation, so that friends nearby could get together.

Personnel Assistant *Linda Keel* prepared and distributed an updated mailing list in July. As yet she reports no feedback on whether the list is being used, but she plans to revise and publish it again by November.

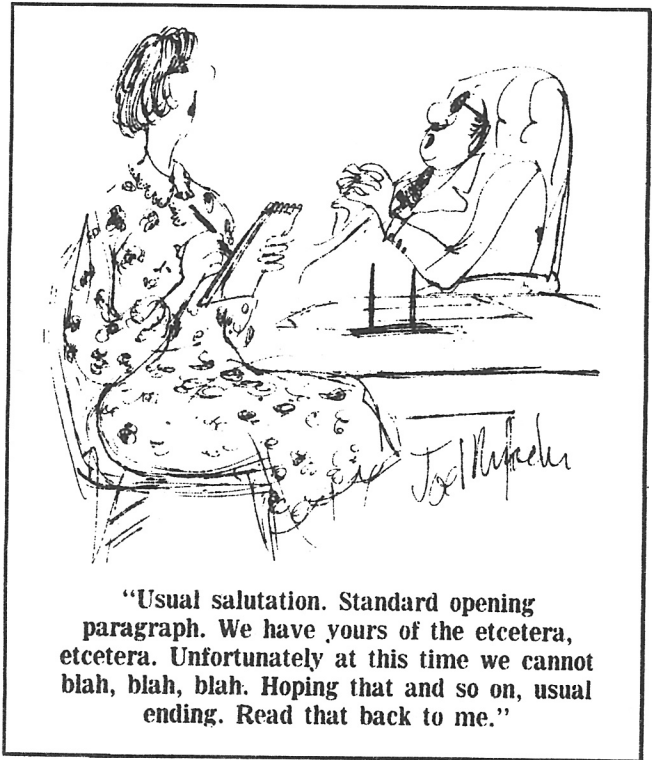
Another request for revival of an old practice involved special social gatherings for the spouses of trainees during their initial six weeks in Atlanta, as well as participation in some of the training classes. Training Director *Bill Cameron*, was all set to implement these ideas during the summer class, but there were no spouses at all with the eight men and one woman in the class. Perhaps the fall class will bring a spouse or two, but none are expected at this time.

KSA wives in the Atlanta area were invited to a special tour of the Bobbin Show in September which was coordinated by *Cecil Phillips*. Other ideas oriented toward the spouses of KSA consultants are being developed and Cecil will appreciate new ideas and volunteers for assistance.

KSA Lady Goes Underground



SHARON KING, wife of Mining Division's **Bob King**, visited the **Stansbury Coal Mine** where KSA is setting up maintenance and production training. Bob reported that Sharon mined about four ounces of coal. . . slightly below the local average of nine tons per man per day. But Bob, there's one big difference. . . the average miner doesn't look like Sharon!



"Usual salutation. Standard opening paragraph. We have yours of the etcetera, etcetera. Unfortunately at this time we cannot blah, blah, blah. Hoping that and so on, usual ending. Read that back to me."

KSA/USA / Cont'd from page 3

renewed and sustained level of growth and profitability. But the U.S. recession is far from over. Thus, we must not let up, particularly in our efforts to target short-term business development to the areas most needing immediate results. (While this column is concerned with KSA/USA, it must be noted that our European colleagues are encountering much more severe economic pressures which will have an impact on KSA corporate performance.)

As we said at the outset, most of our consultants properly concentrate on the work we do with and for our clients. Those of us charged with the management of KSA's business feel a responsibility to keep all of you informed. Much of what we have reported can be viewed with great optimism and a sense of satisfaction.

But our "silver clouds" may have "dark" linings. We must remain alert to changing economic conditions, continue aggressive and focused marketing efforts and plan our manpower growth at a pace always slightly behind our sales performance.

Above all—we must continue to perform outstanding consulting services for our clients.

Congratulations!

To *Diana and Jim Wermert* on the birth of their first child, *Stacey Marie*, July 26, and to *Kathy and Steve Riepenhoff* on the arrival of *Matthew Steven*, August 11. Good health and happiness with your little ones.

In Sympathy

Our sincere sympathy to *Becky Albanese* (Greensboro office) in the loss of her father May 29. Also to *Gwen and John Wilcox* in the loss of Gwen's father July 25.

Departures

Regretfully, *Paul Bornstein, Dan Donahue, Lucien Douville, Jim Johnson* and *Charles Kelly* are no longer associated with KSA. We wish all of them a great deal of success in their new careers.

Trautman Wins Hippomenes Cup

The annual Hippomenes Cup contest was conducted concurrent with the Peachtree Road Race. The day dawned hot and muggy, and at 8:00 a.m. 25,000+ racers responded to the starting gun.

Team competition results showed *Kaminski's Kats* (all personnel not assigned to a division) in first place—Sue, team captain, received a Peachtree Road Race mug to commemorate the victory; *Dave's Dogs* (MSD) placed second; and *Ron's Runners* (MMD) was in third place.

For the second year in a row non-divisional personnel took first place and MMD maintained its tradition of being last. The members of each team and their times are listed below:

Kaminski's Kats

Mike Furbish	53:00
Cecil Phillips	54:02
Dirk Mosis	54:40
Sue Kaminski	55:41
Jim Severyn	58:20
Eric Schulze	58:30
David Kaminski	39:32
Paul Kaminski	42:00
Average:	24.3 pts.

Ron's Runners

Chuck Gilreath	46:20
Charles Topping	51:28
Dave Baltimore	52:00
Jim Trautman	55:00
Ron Brockett	55:44
Mike Ellison	59:10
Tom Barts	61:20
Average:	20.0 pts.

Dave's Dogs

Dave Cole	46:46
Jim Hicks	48:59
Hal Wilson	50:38
Mark Schneider	51:56
Mark Richardson	53:00
Tony Brooks	53:08
Blake Lowman	53:38
Cheryl Connell	54:56
Paul Connell	54:56
Frank Wise	56:00
Average:	22.3 pts.

It's rumored MMD is recruiting in the PE departments at Oregon and UCLA in an attempt to make a respectable showing in 1981.

In the Hippomenes cup competition, *Jim Trautman* was the unanimous winner. The Peachtree Road Race was Jim's first 10K, and his sterling performance amazed all.

The awards ceremony was held at the Team Hippomenes annual champagne victory brunch after the race at Dave Cole's home.



KSA runners discuss the big race at DAVE COLE'S champagne breakfast.



Last year's co-winner, RON BROCKETT, presenting trophy to jubilant JIM TRAUTMAN.



Though JIM TRAUTMAN, with coveted trophy, has a champagne appetite, he's drinking beer.

The Hippomenes Cup was funded by the Cole-Langley Foundation for the prevention of sloth and inertia. The inaugural winner in 1978 was *Howard Cooley*; 1979 co-winners were *Ron Brockett* and *Bob Reeves*.

Rules for Awarding the Hippomenes Cup (Most Improved Runner)

- Annual recipient to be determined by Board of Cole-Langley Foundation plus last year's winner.
- Winner must be employed by KSA for at least two years.
- Winner must run in the Peachtree Road Race.
- Trophy will be rotated annually at presentation ceremony (date to be determined by the C/L Foundation). At the end of four years, original trophy will be permanently awarded to Howard Cooley.
- Selection of winner will be based on: Current year's improvement; performance in Peachtree Road Race; and continued dedication to the elimination of sloth and inertia.
- There will be no repeat winners.
- Trophy must be retained in KSA office.

The nominating committee for next year has noted six people as prime candidates for the award IF they complete the race: *Josh Taylor*, *Bob Frazier*, *Ken Osborne*, *Frank Armistead*, *Tony DeMaria* and *Bill Reed*. Of course, many others in KSA are also eligible.

Health Services Division

After six months with KSA, it was decided I knew enough about consulting in general and HSD in particular to write on HSD ers activities. (Hope this article doesn't change their minds!)

HSD has been busy completing reports and sending proposals. . .so busy we considered recruiting the youngest members of the team, *Thad Seymour* (three month old son of *Debbie* and *Don Seymour*) and *Stacey Marie* (newborn daughter of *Diane* and *Jim Wermert*), but were afraid they might put their dads to shame at making new contacts. So, the entire division has been on the road doing what consultants do best and in their spare time convincing hospitals they need a long-range plan and marketing strategy to increase their business so we can complete a Certificate of Need to build a bigger and better hospital. When they have followed our instructions to the letter and have the CON approved, HSD will be happy to aid them with their facility planning. As their patient load grows, so does their need for staffing studies, employee attitude surveys, management audits, feasibility studies, etc., all of which we will be glad to supply.

The highlight of the summer was the AHA show in Montreal where *Pete Paddrik* tried to teach us French. The show was a success despite the fact that all instructions were in French, and *Paul Flood* has been traversing the country since the show making follow-up calls. Pete must have liked Canada as he's been writing follow-up letters to the administrators he met.

Between running the Peachtree Road Race (he completed the course) and making wedding plans, *Mark Richardson* has been running between Kentucky, Alabama and Atlanta rightly dividing his work between long-range plans and Certificates of Need.

Fran Fowler has been flying between Cincinnati and New Jersey and in her spare time has been a co-organizer of the first Association of Nurse Consultants in this country. Speaking of celebrities—which we weren't, Fran has been asked to participate in a training seminar in Taiwan next summer.

Since *Don Seymour* completed the LET and Instructor Training for LET, he has been trying his "instructor skills" in teaching young *Thad* to play basketball. I don't understand how he fits his basketball expertise in with the financial feasibility study for Citronelle and the expansion program for Harton Hospital but somehow he seems to think they all tie in.

Virginia Lamb had a quiet summer. Between completing a CON in Tennessee, writing a long-range plan for Hugh Spalding Hospital, and jetting to New England for a quick vacation, she even had time for house hunting in Atlanta. All this with time to spare. . .

Jim Wermert has been busy learning. . .attending a Systems Training Class; learning how to sell underwear; and last but not least, how to be a new father. I didn't ask which class he enjoyed more nor where he has the most to learn. He's been seen around the office wearing pink shirts!

I've heard consultants try to combine as many movements as possible and to teach their clients to do five things at one time but this is too much. . .*Ron Everett* is taking instrument flying lessons so his adopted Vietnamese daughter can teach him English while they are off on a "family outing" in his Cessna. Wonder if the same principle will apply when summing up his arguments for the HSA in Paintsville or Citronelle?

Summer will soon be over and *Paul Flood* will close "Creekhouse" for the winter and exchange those lazy summer afternoons on the lake for the brisk pace of Roanoke, Va., where he just sold a long-range plan and marketing study.

Me, I've been learning a lot about consulting and consultants.

—Charlotte Branton

The Princeton Office Pig Roast



Smiling host BILL WILLIAMS roasts "Miss Piggy."

It was one of those hazy, lazy, crazy days of summer. . . those days of soda and pretzels and beer. Such was the setting for the Princeton Office First Annual Pig Roast. The event was hosted by *Ruth* and *Bill Williams* on their 11-acre horse farm in the rolling hills of New Jersey.

Approximately 50 people enjoyed the outing. . . KSA Princeton personnel and families, KSA staff and families residing in the New Jersey area, and *Evelyn* and *Jack Ullman*. Also in attendance were several horses, one duck, and the guest of honor, a 130-pound pig.

The actual roasting lasted from 10:00 a.m. to 5:30 p.m., but festivities continued until midnight. A splendid time was had by all. . . even the pig was smiling!

Many thanks to Ruth and Bill for their gracious hospitality from all who attended.

—Tim Brown

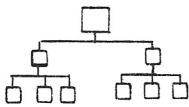
Theory X Management Still Reigns Supreme

The following was found on a bulletin board in a client plant:

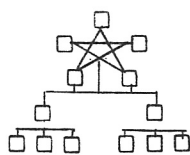
"Everyday" each operator is to clean their machine and working area. That means bins, motors, pedals, whatever is your working area. There is to be *no* food or drinks brought on the floor at *no* time, anyone caught doing this will receive warnings until you are no longer here. Your working area will be checked daily. You will receive warnings for an unclean area. You have air hoses and rags will be provided. You are paid to do this, rags are to be under the foot. Covers on machine before leaving it. You will be given *two* days to get ready for inspection. We would hate to lose girls on nastiness. All thread is to be returned daily. Do not be caught with thread on the floor in your working area. Chairs are to be put up at five o'clock. Machine, cabinets, benches and motors will be checked starting Wednesday May 14th. Please sign name and pass on. Return to Supervisor. Thank you.

ORGANIZATIONAL CHARTS

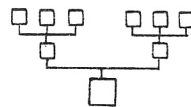
TRADITIONAL



RUSSIAN



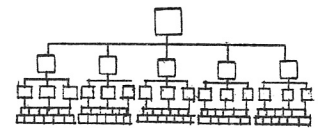
POLISH



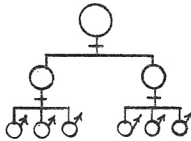
ARAB



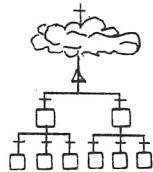
CHINESE



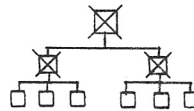
WOMEN'S LIB



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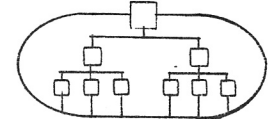
LATIN AMERICAN



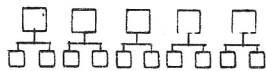
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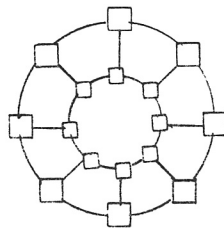
AMERICAN



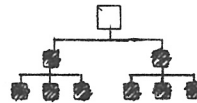
ITALIAN



UNITED NATIONS



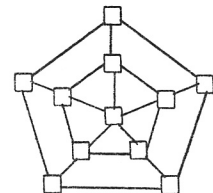
RHODESIA



PRISON



PENTAGON



John Caldwell, who is attending Emory University's Executive MBA Program, has passed on to us an example of their no-nonsense approach to the science of business management.

Here you will see a broad, international perspective used in identifying various types of organizational structures found throughout the world. For those readers whose experience has mainly been with matrix and other more traditional organization forms, this knowledge should be extremely helpful in your future consulting assignments for multi-national companies.

Training and Professional Development

KSA Atlanta training has graduated 15 consultants and one controller this year, with the next class scheduled for October 13.

A new dimension to this training was inaugurated in July. After five weeks of the regular course, systems consultants went into a three-week basic systems training course. Attendees were *Dave Denny*, *Jud Cairns*, and *Keith Nelms*. GM&M consultants *Jim Kirby*, *Jim Wermert* and *Frank Wise* joined them for the first week.

GM&M basic training (one-week course) was held in New York August 18. The result of all this is that future Atlanta training for new MMD consultants will be five weeks plus two to three weeks functional training.

We are indebted to *Mike Barnes* (MIS) and *Bob Heiland* (GM&M) who contributed to the development and presentation of this training.

Our records indicate nine people have completed the following self-study courses this year: KSA 1, ROI 1, Survey 2,

Standard Cost 2, Annual Report Analysis 1, Financial Analysis 1, and Men's Clothing 1.

In addition, an LET course was conducted by *Ron Brockett* in July for a group of 20; and a two-day new principals training course was also held in July for 14 new principals.

Account Executive development is off to a good start. . . 11 new A/E's attended a basic A/E skills seminar in April, 16 attended a functional cross-training PD seminar, and 19 a functional cross-training MIS seminar in July.

Our resident training programs thus far have produced 22 graduates of our Apparel Engineering Basics course and eight graduates of our Plant Managers' course. One of the engineering course graduates, *Wolfgang Grunenwald*, stayed on for three weeks of advanced training. Thanks to the many functional specialists who contributed to this training.

The September engineering course and December managers' course will complete the year's client training activity.

Cont'd next column

—Bill Cameron

EUROPE

Edited by — *Jean-Pierre Adeline*

We Must Have Both Flexibility and Expertise

By—*Stuart Hollander*

For KSA Europe, 1980 is a year of struggle with a harsh environment and of restructuring parts of the business. Financially, it will be a disappointing year. Its justification must be an ability to ride the recession and internal changes, coming out stronger and better positioned for the challenge of the 80's. I suspect they will be no easier than the 70's, and even more challenging.

One issue which has surfaced during this period of readjustment is the conflict between our need for in-depth expertise, and the essential flexibility of our consultants. Both are needed to achieve high utilization in small national units with the backlogs constantly varying between functions.

We can help ourselves by not attempting to develop as many functions at one time as we have tended to do in the past. We can also improve training, recruit flexible people and give our consultants opportunities to stretch themselves in new problems in new environments.

But the key factor in our success is the attitude and enthusiasm of our people to apply their considerable analytical and persuasive capabilities to looking at new problems with objectivity, applying their consulting skills, rather than relying solely on expertise and previous experience. This takes courage, but I've seen many examples of this in the last year or so and believe it is a major factor in our future ability to manage and develop a more profitable Europe.

Is this in conflict with our tradition of in-depth expertise? I do not believe so at all. It is complementary to it. We must build and preserve the "technical excellence" part of our philosophy, which enables us to stay ahead of our competition and our client staff in *all* functions. We will continue to need the true specialists in every function. But a large proportion of our staff must be able and willing to work in a more diverse set of functional areas than was required in the past. *Each* consultant has something to contribute to this need.

I see engineers doing very good systems work and developing their understanding of the marketing process; systems people making major contributions to manufacturing, EDP application and sales organization; distribution specialists working on marketing studies; PMS experts teaching retailer clients about the benefits of industrial engineering and HRD, and retail experts bringing understanding of the apparel market processes to our apparel clients. . . and so on.

Of course each function must have its professional leaders who keep us ahead of the game. But with each additional degree of flexibility we develop, we improve measurably our ability to respond to increasingly diverse client needs, to keep our consultants highly utilized, and to make more of our business.

Flexibility is often defeated by fear of the less familiar. Our ability to build flexibility is in the individual himself. You will find it is increasingly appreciated.

Principal Appointed

We welcome the appointment to Principal of *Peter Alderslade* July 1 and extend congratulations and best wishes.

Peter joined UK region in 1977 with existing experience of both consulting and line management in the apparel industry. Since then, he has won a considerable client following and gained a reputation for being "asked for" by old clients where he has consistently obtained results.

Peter is 36, married, and lives in Chester, UK. He has a degree in Electrical Engineering and his Master's degree in Electronics.



Coming Events

Marks and Spencer, the largest retail chain in the UK, is to sponsor a micro-computer seminar for its apparel industry suppliers and has asked KSA to organize it. The seminar is to take place September 30 and includes demonstration of a range of shop floor control systems. KSA's contribution, organized by *Steve Webb*, will cover labor cost control, with a computerized version of the 3-in-1 system, work study file maintenance, labor allocation and quality control.

The Clothing and Footwear Institute in the UK has asked *Arthur Marshall* to make a presentation on Financial Efficiency and the Future of the Apparel Industry at its annual international conference to be held in Harrogate, UK, November 20.

KSA's participation at the Leipzig Fair took place in August, where two objectives were defined. The first, to maintain contacts with potential clients in all European state trading economies who sent representatives to Leipzig, the foremost trade fair in the socialist world and probably the largest in the world. The second was to strengthen contacts with our single prospective client in East Germany, the Ministry for Light Industry, which is responsible for all apparel and textile production in the country. Interest in KSA services has been expressed as a result of previous KSA participation in the Leipzig event. Negotiations with socialist state officials are notoriously long-winded, but we have high hopes of making our first breakthrough in East Germany this year. This would be a major achievement since, until our first contact two years ago, the authorities refused even to talk to western consultants.

Participation by KSA in the Apparel Industry Exhibition being held in Harrogate, UK, the last week in November is now well advanced. Our presence at this event, the sole UK trade show of its kind, is essential and we plan to provide a complete overview of our services with special emphasis on computerized shop floor control systems.

PR News

In our last coverage of PR news, we wrote that it was unlikely time could be found to do another report before the end of the year. We were wrong. The vacation period has slowed a number of projects in the pipeline, giving us an opportunity to take stock of what has been achieved in 1980. . .and it's an encouraging and valuable stock.

Although some KSA-initiated projects called for more manhours and headaches, with results that will not be quantifiable for some time, the star project of the year will undoubtedly be the press campaign launched in connection with the EEC apparel assembly technology study. Two press releases, the first to announce the scope of the study and the second to circulate an outline of findings, produced at least as much coverage as all other releases this year put together. Additional coverage, much of which appeared in media that had never before mentioned KSA, was won as a result of presentations made in connection with the study by KSA staff. The presentation by *Steve Webb* at the AEIH conference in Helsinki produced a half-page feature in Finland's leading newspaper in addition to much lineage elsewhere. A presentation made in Germany by *Hardy Artelt* had similar results. In Holland, *Joep van Gent's* address to the Dutch Apparel Association (Nevec) was heard not only by manufacturers but also by many government officials. This, too, produced much press coverage. In the UK, the leading apparel trade publication is running a multi-issue series covering various aspects of the EEC study findings, with frequent references to KSA's part in the project.

All this was particularly gratifying because, had we not suggested that the survey was big news for the industry, the EEC would not have taken steps to publicize it. And we believe there is much more PR benefit to come. When implementation of the proposals gets underway, KSA is certain to receive additional publicity throughout Europe.

Other projects have also played their part in helping make 1980 a vintage year for European PR. Despite a printing strike in the UK, the English version of our new apparel brochure was completed in the spring and presents a much more attractive, up-to-date and, we believe, motivating outline of KSA services than we have had before. The German version of the same brochure was completed in the fall of '79. The long-planned project of producing a European version of the Perspectives series, started last year in the UK, is finally to be launched in German-speaking countries this fall. Production of the new style direct mail material to promote individual KSA services is almost on schedule, which can be seen as a success considering that managers and principals responsible for providing input have been kept busier than ever with sales work in addition to billings.

Output of published articles dipped slightly during the first half but projects in the pipeline or published recently should bring us above last year's volume in this area by December.

All this is not just a result of more time and harder work by the PR department. Much more important has been the keener appreciation of the value of PR by consultants and managers, who have spared no effort to suggest and discuss projects, provide input, and make many valuable and constructive comments on on-going projects. With this close collaboration between consultants and communicators, we look forward to further major achievements in the coming months.

—Jean-Pierre Adeline

Small is Beautiful/Cont'd

How It Worked—The installed system handled major data processing and provided rapid information for decision-making in four main areas:

Order Processing and Distribution Planning: This covers all aspects of customer order processing from receipt of orders through to shipping and invoicing. It also includes stock control and distribution planning.

Materials Control: This means providing information on material requirements, stocks, usage and purchases. This element interfaces with and shares files with the order processing system.

Production Control: Allows production schedules to be planned and monitors progress of orders. It includes calculation of piece work payments and provides labor cost control data.

Financial Control: Covers sales, purchase and nominal ledgers, statements on the 20th and last day of month basis, debtors report and stock valuation.

The system took three years to become operative from the time work started on design concept. It called for careful planning and full management commitment to making it work. But the advantage of the right information available to the right person at the right time brought both anticipated and unexpected benefits to the company.

Profit Boost—Operation of the system will allow the company to raise salaries, reduce stocks, avoid markdowns and achieve better utilization of production facilities. It is estimated that the combined impact of these improvements will raise profitability by nearly \$30,000 a year for each \$1M of sales. But an unexpected bonus has already been discovered and proved even more valuable to the client. . .a dramatic reduction of bad debts through tighter credit control.

The client is so impressed with the results that he is planning to sell the concept to other clothing companies in the UK. We hope this will allow KSA to collaborate in other installations where our in-depth knowledge of industry problems and environment can help to ensure further successes.

Flat Calm Within KSA Sporting Events

Both inter-KSA sporting events mentioned here during the past year have come to a full stop.

The challenge to KSA/USA sailors launched by sailing types in Europe—see March issue—met with a response that can only be described as underwhelming. . . not a single reply or inquiry came from the US. We hesitate between two alternative conclusions: Either there are no sailors in KSA/USA or they lack the confidence to take up the challenge. Europe wins by default.

The UK golf tournament which was being organized by *Rod Gunston* has also ground to a stop. The fault here lies with the organizer who suffers from a badly sprained shoulder following a skiing accident in the spring. Although Rod has been under treatment for some months, he is still unable to resume swinging the club. We are pleased to report, however, that some managers and supervisors were beaten by staff consultants in some of the preliminary rounds, showing that glory on the greens is preferred to promotion in the profession. . . at least in this way.

KSA's Only Non-Office

In the late 70's we published a series of profiles of our European offices. Since then, Paris and Chiasso offices have been closed, to cut back KSA's involvement in the difficult French and Italian markets.

But, while our presence in France remains opportunistic, *Renato Tarditi* continues to sell and work on assignments in Italy. When, for personal reasons, I asked KSA whether there would be any objection to my moving from Zurich to the southern, Italian speaking, part of Switzerland, it was suggested that my office also serve as a base for Renato. Only 15 miles from Chiasso, and no farther from Renato's home than our former office, my home from which I coordinate European PR activities has now become KSA's only non-office. For several reasons, it cannot be listed as a KSA office, but it serves as an address for Renato to receive mail and phone calls and provides for the minimum amount of administration he needs to be able to concentrate on more profitable client activities.

The main problem has been the very irregular but sometime overwhelming workload peaks that arise when a major report or manual has to be typed while one or more proposals also call for immediate action. To deal with these problems, we have been lucky to find *Vivienne Brenner*, English born wife of the President of the American Franklin College in Lugano. Vivienne has lived in the area for about 20 years and speaks and writes Italian with a fluency that enables her to read "consultant's scrawl" in that language. Further, despite having to look after her two children, and editing the College's alumni magazine, Vivienne finds time to cope with the "report peaks" as they occur. With her part time help, a telephone answering machine, an old Xerox machine and a lot of goodwill, KSA's European non-office copes with both the Italian consulting and the European communications workload.

—Jean-Pierre Adeline

"AAMT Rides Again. . .

. . . in South Africa," wrote the Cape Regional Training Officer for the Clothing Industry Training Board in a letter to *Alan Braithwaite*, UK Apparel Industry Manager. The letter, to thank Alan for some KSA Test forms, also states:

"When you were here I explained to you about the AAMT training being done here in the Cape. Well, you can tell *Steve (Webb)* that I have now managed to get the system accepted in both the Johannesburg and Durban centres. I can tell you I have had to battle to get away from the ridiculous system they were using here, but on seeing the results achieved in the Cape and how keen Management was to use it, the attitudes have changed dramatically.

"It means that this year we will be training approximately 1,200 machinists in our training centres, plus trainees who will be trained in-Company. You can also tell Steve the seed he planted is now beginning to flower. . .

. . . "Alan, once again let me thank you for your quick action in sending me the tests. They will be put to good use. I hope I will have the pleasure of your company when you return to South Africa, thereby giving me the opportunity of thanking you properly.

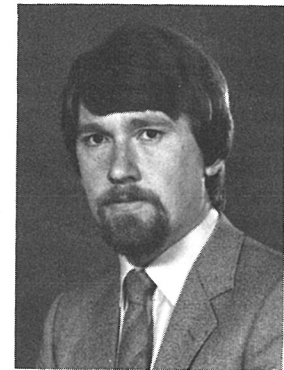
"Give my regards to Steve and his family and tell him "AAMT RIDES AGAIN."

This is a fine tribute to KSA's pioneering work in operator training and to our colleagues who introduced this method in South Africa.

New Staff



Clarke



Molzberger

Bruce Clarke. . . Age 31, joined KSA/UK in August and will go to Atlanta in October for training. Previously, as a lecturer in the Department of Textile Technology, University of Manchester, he combined his academic duties with work as an independent consultant to the industry. In this capacity, he's worked with several large UK companies, including a knitting subsidiary of the Courtaulds group, on assignments ranging from management development to new product concept and appraisal. Bruce has been assigned to UK's PMS division. He's single and lives in Hale, Cheshire, a few miles from our Altrincham office.

Johannes Molzberger. . . Age 28, joined German region in August. He's been helping KSA on an associate basis since April, working on the market study being carried out in collaboration with Prognos of Switzerland. He has a degree in marketing as well as in textile and apparel engineering from Moenchengladbach Technical College. He's been assigned to the GMS group in Germany. Johannes, his wife *Ingrid* and infant daughter live in Moenchengladbach. Hobbies include tennis, track and field sports.

Departures

Dieter Fertig leaves KSA German region at the end of the year to become a freelance consultant and hopes to spend some of his time making available to KSA the expertise which has been so valuable to us in the past. . . *Roger Head* left the UK region to take up the post of Managing Director of a large manufacturer of jeans in the UK. . . *Inge Lauterbach*, personal assistant to *Hans Horst Hensche*, left the Dusseldorf office in September. . . *Henry Pawlik* left the GMS group of German region in August for a line management post in industry. . . *John Rutherford* left the UK systems group in August to work as manager for one of the larger UK apparel companies. We wish them much success in their new careers.

JOSEPH PULITZER's advice to writers is applicable to anyone trying to communicate with others:

Put it before them *briefly* so they will read it, *clearly* so they will appreciate it, *picturesquely* so they will remember it, and above all, *accurately* so they will be guided by its light.



"His B.I.'s were late two weeks in a row."