

Levi Strauss de Mexico

An Adventure in Paradise . . .

By—Pat and Rick Parsons

What happens when a conservative, middle class, American family of four is placed in the center of one of the largest foreign cities in the world? KSA's Material Utilization project for Levi Strauss in Mexico City happens and the family returns home with tastes for chorizo (sausage), Mexican beer, tequila, Jose Jose (balladeer), and all the while saying, "andeale pues."

Making their bid to become members of the KSA Jet Set, the Parsons embarked on their Cinderella assignment in June, 1980. They were by no means the KSA pathfinders in Mexico City and relied heavily on the long distance advisories posted by *Ann* and *Rob Brown* from their "beach house" in Puerto Rico. With some very good advice, too many suitcases, and *Sergio Cruz* for moral support, this band of "gringos" took the city by storm.

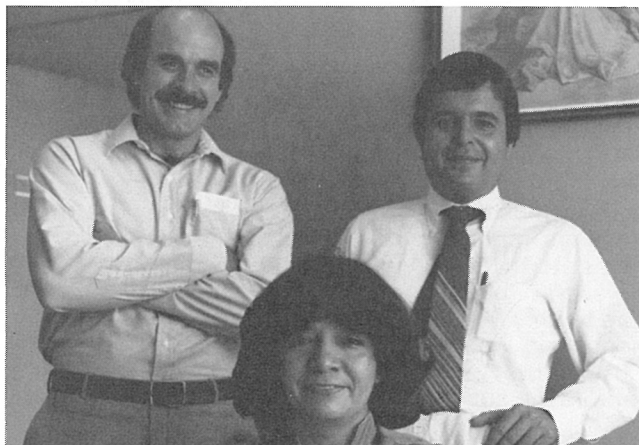
From the first moment it became painfully obvious that *Rick's* 10 days of intense Berlitz by no means prepared him to communicate with the slow-talking natives, so he threw Spanish and \$25 in tips to the wind (big spender from the East!) just to get to the hotel from the airport. We later learned we should have exchanged our currency at the airport . . . Lesson Number 1. Somehow, we managed to fit the driver, five people and 17 large suitcases into a Toyota-sized cab. The ensuing culture shock, as the cab motored through the not-so-glamorous parts of the city, was painted on our faces. Our son *John*, vocalized for all of us with a simple, "Yuk!"

There are many interesting social phenomena in Mexico, not the least of which is the fact that everyone is a salesman, with everything for sale 24 hours a day. The problem is that most of the items are the type your weird Uncle Harry might appreciate for Christmas . . . doesn't everyone need a stuffed toad with onyx eyeballs and a golfer's cap? From the outset we fell prey to every salesman on the street, drawn to us as if by unseen magnetic force. Despite the inconvenience, we did admire their spunk, and we bought some things, especially fresh flowers, at a ridiculously low price . . . a dozen roses for 30 pesos (about \$1.30US). The hotel greeted us graciously and we locked ourselves away to think about it all, knowing full well it was too late to go back. Our beautiful view of the famous *Angel de Mexico City* did very little to calm our nerves for much needed sleep.

As on most assignments, the mood is generally set for the rest of the project in the first days. The first day was a little different from most in that it began with an incredible 30 minute ride to work with a cabbie who could give demolition derby or cab driving lessons in New York or Hong Kong. I took my cue from Sergio, the

seasoned veteran; we both closed our eyes and prayed the trip away. It's impossible to ignore the trucks, cars and buses in the city with your eyes closed . . . they are very large, reckless, noisy, exceedingly smelly and terribly close to you at all times. They play games on the road which psychologists would find self-destructive at best. How many vehicles can fit into a two-lane road at the same time? In Mexico, it was normally two semi-trucks and two Volkswagens, or six Volkswagens. The white lines are dysfunctional inside the city limits. We slowly mastered all the rules of the road in the next six months with only four citations for infractions and one accident to our credit.

Levi Strauss of Mexico proved to be a melting pot of Hispanic people, none of whom spoke Spanish according to Rick. One in particular was especially confusing. The man's command of the language was incredible, but Rick understood only every third or fourth word. Later consultation with Sergio provided the information that this was not the Spanish taught at Berlitz, nor in any other school for that matter. The nice man with the descriptive language was the Director of Operations. That wasn't so bad. Being an old Army man, Rick figured he could handle him all right, or at least relate to him. Then came the *coup de gras*. The newly appointed Director of Material Utilization turned out to be a 40+ year-old bachelorette who spoke not a word of English, and the lady had gestures and a way of tossing her head which conjured up visions of Miss Piggy of the Muppets.



RICK PARSONS (left) and SERGIO CRUZ with Levi's MU Director, NASHLEY CASTELAN.

It was becoming increasingly difficult for Rick to mentally put this job and his "skills" together. Ken

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Chairman's Corner

The Value of Good Contacts

One source of great strength for KSA is the group of individuals in the industries we serve who regard themselves as friends of KSA or of individuals in our firm. The most important of this group are, of course, client executives. They decide on consulting projects and which consultant should be engaged.

Also important are the contacts we have among prospective clients, equipment suppliers, the press, financial community, trade associations, etc. Their recommendations and goodwill produce leads and projects either directly or indirectly.

For the pool of goodwill to produce for us, our friends must, in the first place, respect the value of our services and our competence as consultants. Nothing can take the place of that. A personal relationship can tip the scale in competitive situations where everything is equal. These contacts keep KSA's name in the forefront when the thought of using outside assistance first occurs, and it works for us as a huge network of information on what is going on and where there may be opportunities for KSA.

The larger that group of friends, the better. We must all work at adding to it. We can do that by making lasting friends at all levels with client companies and through our contacts with everyone associated with our industries.

We most certainly want to maintain strong bonds of friendship with everyone who leaves KSA. Former colleagues are, and should be, our best friends. When that is not the case, we have reason to reflect on how we dealt with that individual in the steps of departure.

There is always a large group of executives on the move from one company to another. While we do not act as recruiters, we can win friends by sympathetically listening to individuals who have left their jobs or are looking for something different. Many of them will end up in new, important positions and may become "friends in court." I receive a great many calls and visits from executives on the move. I try to listen and to be of help. Often there is little of real value that I can do, but I know of many occasions where business later came our way as a result of those contacts.

It is particularly important that we have good contacts with individuals who, like ourselves, get around a lot in the industries we serve. I'm referring to equipment suppliers, members of the trade press, banking executives, etc. In their conversations with business friends the subject of consultants is bound to come up from time to time. As a result of having our name favorably mentioned, we do get a good bit of new business.

It may be tempting to be deprecating about competitors or suppliers who, by our standards, leave something to be desired. But careless remarks to outsiders may find their way to the targets of our criticism and we will have created detractors from ourselves for a long time to come. There are certainly people with whom we do not wish to do business and competitors we do not respect, but let us never criticize them outside our own group.

We never have too many friends, but a single detractor is one too many. Let us all contribute to the enlargement of this pool of goodwill and the network of contacts we have working for us.
—SAK

Coming Events

- April 15-16 KSA Textile Productivity Seminar (Fee: \$400) Northwest Atlanta Hilton.
May 1 Seminar on "The U.S. Sweater Industry Has A Future" by *Ron Chisenhall* at KAE, Atlantic City, N.J.
May 2-6 Knitting Arts Exhibition, Atlantic City, N.J. KSA will exhibit.
May 12-14 Southeast Hospital Association convention, Miami Beach, Fla. KSA will exhibit.
May 14-16 Western Apparel Manufacturers (WAM) Trade Show, Los Angeles. KSA will exhibit and *Bob Langley* will present a seminar on Product Line Management and Pre-Season Planning (5/14).
June 10 KSA's Annual Financial Breakfast will introduce Profiles for public apparel and textile firms, fiscal 1980. Essex House, New York.
June Footwear Profile due off press.

More Certified Consultants

Participation in the Institute of Management Consultants jumped sharply during 1980 when the Institute offered a simplified application procedure for "grandfathers." Available only to consultants with 10 years or more experience, the temporary procedure reduced the paperwork to one application form and references.

Other, less experienced KSA staff members also applied for associate or full membership status. Altogether, 20 KSA applications were filed during the year and are in various stages of processing.

Prior to 1980 there were 36 Certified Management Consultants (CMC's) among KSA's staff. Thus, the total will jump to over 50 when the recent group becomes certified. Nationwide the total number of CMC's has broken the 1,000 mark.

KSA has supported the aims of the IMC since it was established. All of the initiation costs and half of the annual dues are reimbursed by the company. For information and application forms, contact *Linda Keel* in Atlanta.

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

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Random Recollections

By—KS

Two Colonels

One of the largest assignments came to us soon after the Cowden job. It was the Big Jack Mfg. Co. of Bristol, Va./Tenn., and involved complete engineering of both their local plants . . . 1100 employees!

The owner, a Colonel Kydd, whose title had been bestowed by the State of Kentucky, had visited me at Kansas City and St. Joseph, Mo. and satisfied himself that we were a "reasonable risk." He had tried once before to have his factory engineered and here is how we found out about that.

We had not been on the job long and were engaged in taking time studies of existing operations when *Charlie Rousseau*, our principal staff consultant, was approached by a middle-aged lady-employee who asked in a rather belligerent tone: "Are you one of them minute men?" "Why no," answered Charlie who had a nose for the *mot propre*. "We work by the hour." "Well, I'm glad to hear that," the lady went on, "because the last bunch of minute men we had here left town on a freight car where we chased them!"

Colonel Kydd was a very conservative man . . . one might say he was a penny-pincher. He would insist that Charlie re-work all sorts of old lumber to build the rails, bins, table-extensions, etc., he needed for his layout rather than order new lumber. The resulting extra labor costs and delays were not a part of his calculations.

He had a droll way of putting things. He'd call me aside and say: "You know, this fellow Charlie is a good man. He knows his stuff and he has a way with people." When I started to break into a smile of appreciation, he'd quickly cover his flanks and add, "Of course, you know I always reserve the right to change my mind about anything I ever said at any time, ha-ha-ha!" And then he'd add, "But, you know he is still young, he wasn't raised in the hard times I've seen. He doesn't know the value of a dollar the way I do. You know, to this day, my wife and I, when we get some stale bread, we don't throw it away . . . why it makes the most delicious bread pudding you ever saw."

The system in effect at the factory was a series of straight lines. *Ernie Meiere*, my first staff man, had brought with him some information regarding the latest Blue Bell system—a progressive bundle system which had been conceived by Mr. E. A. Morris while he was working there as a consulting engineer. That system appeared to combine the advantages of a straight line system, where the machines were placed in a path the work would logically take, while making it possible to retain the individual incentive by basing pay on the output of the individual worker.

We did not install this at Cowden's because the International Union permitted the installation of a straight line system and had devised a formula for a sharing of its advantages between management and employees, but having a printed book of piece rates for individual operations, they did not (at any time) permit engineering on an individual operation basis with subsequent revision of the rates to reflect the improved methods.

The straight lines at Big Jack really cried out for improvement. At one end of the line, there was a bucket of cold water and a big tin cup. When an



TONY DeMARIA, a newly minted Vice President, ready to do business at the National Retail Merchants Assn. trade show in January. JIM GIDDINGS stands by at left, ready to help. Full details of Tony's accomplishments and career with KSA were covered in STIG KRY's memo announcing the well-deserved promotion. Congratulations, Tony!

employee wanted a drink, she'd raise her hand and the cup would be filled and passed down to her through as many as 35 hands. This was to avoid having to excuse operators from the line, if they wanted a drink. A goodly number of the employees were mountain folk and brought chewing tobacco to the plant with them. Spittoons were all over the place and, no doubt, some of the juice deposited itself along the rim of the "community cup!"

About halfway through our installation, which required three and a half years, the plant was sold to another Colonel (of similar heritage), a Colonel Walls. Colonel Walls was quite a different individual from Colonel Kydd. He believed in the appearance of things. He spruced up the cafeteria, provided turkeys for all at Christmas and, in general, cleaned up the plant. He did have a well-developed ego which manifested itself in curious ways at times. Thus, when he noted that his luncheon partner had been served a larger piece of pie, he reached across the table and swapped plates with him without a word, as if it were his "*droit de seigneur*."

As we finished a department, we would make survey studies of the next department and then present the findings and recommendations in report form, reading and explaining the report to the Colonel as we went along. We noted that he'd become impatient and would turn toward the last pages ahead of time, often as not beginning to argue about something he'd noted there before it made good sense to discuss it. After having suffered through several such sessions with

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Tenth Anniversary

Ms. Versatility, a most appropriate name for *Roberta White*, who celebrated her 10th anniversary with KSA on February 15. Champagne flowed at the New York office as *Stig Kry* presented her with a watch.

Roberta served as administrative assistant to (in alphabetical order) *Mike Barnes, Al Emmons, Jim Giddings, Rudy Greer, Stig Kry, Phil Lutz, Ralph Ross* and *Justin Ward*.

She now heads the New York report department and is our resident expert on word processing . . . she helped evaluate and select the latest equipment being used in Atlanta. In addition, she handles the procurement and distribution of D&B reports for all of KSA, maintains the time and attendance records for the New York administrative staff, and, is the New York office's only bonafide notary public. That's what we mean by versatile.



The entire New York staff is anxiously awaiting a major office renovation and facelift . . . but none more so than Roberta. After more than a year of meeting the growing demands for client reports from her compressed, center stage work area situated right in the middle of traffic, Roberta can hardly wait for the new, enclosed word processing area that is included in the renovation plans. We may see less of her then, but we will know she's there by the output of quality work produced under her knowledgeable direction.

While making significant contributions to KSA during the past decade, Roberta has also managed somehow to be an exemplary mother. *Sam* is a soon-to-be-married senior at Cornell and an outstanding intercollegiate wrestler, while *Robin*, who studied nursing at Queens College, also is now contemplating marriage.

Roberta—Ms. Versatility—you have been an important cog in KSA's wheel for a decade. We're looking forward to your help as we keep rolling during the next 10.

Adventure in Paradise—Cont'd

Osborne must have penned this assignment immediately after he finished the "Johnny News" . . . oh well. Acting like a deaf mute for two days, Rick was still vexed by his total inability to understand what was being said. He might as well have been in Japan for all the good he was, and there was Sergio babbling like mad and smiling all the while. What a time for a triple Jack Daniels with one ice cube . . . make that a tequila.

Those days ended and somehow through the marvels of the old gray matter, Rick began to communicate, and Nashley (Miss Piggy) turned out to be one of the finest human beings on earth. By the way, she now speaks some English!

With all the problems at Levi Strauss, work turned out to be the easiest part of the "Mexican Connection." On *Pat's* side of the fence, the problems of home-making in a strange new world were coming into focus.

At that time we were living in the El Presidente Hotel in the Pink Zone, the cosmopolitan area of the city. The question was where to live permanently. (We should mention that MC is one of the most expensive cities in the world and one of the largest.) After extensive searching, a few family feuds, and finally some help from *Maria* and *Gary Ratliff*, we settled in a northern suburb called *Satelite*, Mexico's answer for Americans who just can't handle highrise living in a city where earthquakes aren't uncommon. We remember our home as quite beautiful and have managed to blot out the many problems we had . . . like the ice cold showers because the gas man had a habit of delivering when he damned well pleased. Or, the stove that threatened to gas us all to death when we finally did get the stuff. And then, there was the washing machine . . . what a marvel of modern science! It took at least two hours to finish a cycle and then the clothes were shredded but still a dingy color of brown. And finally, since Mexico City is in such a temperate zone, the homes have no heat or air conditioning . . . nor do the Mexicans screen their windows. The nights are very cool and the only answer is warm clothes and firewood. As for insects, the only answer is to coexist. These problems were made smaller by the fact that we had wonderful neighbors who spoke a little English, one of whom was the architect and builder of our townhouse. We wondered about the quality of the house, but after our first earthquake, we became a devoted fan of his.

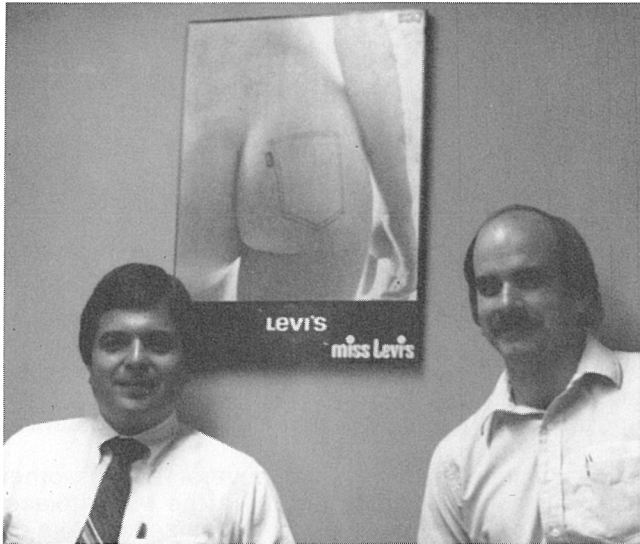
So much has been said and written about the "gastric problem" in Mexico. Our first answer was *Denny's*. After all, they were everywhere in the world and the food was always okay before . . . right? WRONG! *Pat, Jason* and *John* were sicker after one visit to *Denny's* than the entire balance of their stay in Mexico. The *Revenge* is real! *Rick* and *Sergio* encountered it quite often from the plant cafeteria. The truth is, however, that some of the world's finest restaurants are located in the city. A *Fodor's Guide to Mexico* became our bible as we did enjoy several fine restaurants, especially when *Sergio* and *Jim Trautman* made their visits.

Driving in Mexico was an adventure unto itself, but we managed to remain under the protective cloak of just blind luck for about a month . . . then the accident. We weren't in the wrong, so how come our car (a \$600/mo. VW Beetle) had the only dents after the dust settled? They were big dents too! After the accident, *Rick* went through metamorphosis and became *Crash Parsons*. He decided driving with total disregard for life and limb was the only way to survive in that jungle. *Jim* and *Sergio* had some choice comments when they were in the car, but neither offered to drive. Our advice to American motorists who plan to drive there is DON'T . . . but if you must, carry a three-pound rubber mallet in your car to be used to pound on approaching fenders, sides of buses and trucks which fail to acknowledge that you truly are in that lane, or anyone in the car who insists on being a backseat driver. *Pat* tried to use her hands for these purposes.

Firsthand observations of Mexicans have completely changed our opinions of the people and country. The truth is that Americans could take a lesson in manners and courtesy . . . with the exception of driving situations. Of course, in a city the size of MC, there is going to be the customary pushing as the laws of supply and demand manifest themselves, and on the highways there are few opportunities to observe acts of chivalry.

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But, all in all, we found some of the nicest people in the world living South of the Border and you only have to make the effort to make friends and you'll have a truly rewarding experience.



Wall photo shows new record in fabric savings!

What was going on at work while life went on in Satellite? Rick was finding he could speak some Spanish and would be able to do his job after all. A short visit from *Dean Vought* was truly a welcome surprise for Rick... Dean was the only KSA'er to visit who spoke less Spanish than Rick!

Communicating with Mexican men proved to be an art. They are indeed masters of the macho man image and they do not care to be put in a position of diminished stature... real or imagined. Being of rather imposing size proved to be helpful in getting the point across to a few hard-core men, and a quick trip to the company squash court was not without certain merits. In the final analysis, credibility for Rick was a little harder to establish in Mexico, but once earned, it was able to open up new worlds, both professional and social. Communicating with the ladies was difficult, but they remained gracious throughout the program. Nashley, the MU chief, developed into a "big sister" during the course of the project, and truly is our best friend at LSM... mine and KSA's.

Our culture chock ended as quickly as it began and we made alternating weekend trips to the inner city and the provinces. Upon leaving Mexico City, a tranquil and beautiful country opened up before our eyes and driving was again a pleasure. Though unable to visit many areas south of MC, we would insist that Puebla, Taxco, St. Luis Potosi, Cuernavaca, San Miguel Allende, Guanajuato, and Toluca are well worth the drive... we would recommend flying to Acapulco or any of the beach cities.

As for Mexico City itself, there is enough culture and history to keep a visitor busy for years. Intermingled with the culture is the largest array of markets in the world, and Pat had great fun familiarizing herself with them. She attended Spanish lessons at the Mexican American Institute for Cultural Relations and learned to say "How much does it cost?" and "Thanks, but no thanks" with incredible effectiveness. She can converse in other matters, too, but her main concern was

to communicate like a normal housewife... and she did.

It seemed that as quickly as the project began, so did it end. We were beginning to get too comfortable... a sure sign to move on. The project had gone well with real savings for our client. We were no longer timid about the city and its ways, and we made it through a few crises... Jason's stitches and high fever, Rick's blood pressure surge, Pat's dental problems, and Sergio's first attempt at driving in the city. We were slowly beginning to think like Mexicans and liked it. We even had a cute little bird hanging from our rearview mirror... a sure way to ward off police who are convinced the American is an easy 500 pesos for his pocket. Most importantly, we made many good friends.

Rick's mother often joked about our being confused migrant workers. (You're supposed to cross the border from South to North.) Little did she know that we would be "held captive" by the Government of Mexico. We had complied with all the legal requirements of the Mexican Government, but the wheels of bureaucracy failed to turn rapidly enough to get Rick's exit papers—or entrance papers. Rick couldn't leave the country legally, or return ever again if he did. The lawyers felt it was truly impossible to speed up the formalities. In the Army, it would have been time to call in an air strike, so Rick called on the JET. KSA vice presidents have hidden super-persuasive powers which emerge after two tacos and a beer. JET's proved to be incredible even in international competition. He did his imitation of the Godfather and single-handedly managed to get the wheels of government to turn... Rick had his papers in 24 hours. It is an interesting story best told by Jim Trautman over three or four drinks.

It was time to leave. It didn't really hit us until Jason began to cry on the plane. He didn't want to leave his newfound little friends at school. As far as he knew, Mexico was home. We would have cried too, but we knew we'd be back, and the next time we'd pick up right where we left off. Mexico remains for us one of KSA's best kept secrets.

Random Recollections—Cont'd

him, I said to him, when presenting a subsequent report: "Colonel, this one is a little technical in spots, let me sit alongside you and go over this one with you." I then folded a blank page and covered up the portion of the page we weren't ready to discuss, saying: "Let's use this as a line-guide." And, while I'm sure he knew what I was doing, he permitted me to go on this way. Thus, we nursed him through the entire report virtually without interruption.

The two colonels were interesting characters indeed and helped to make "Big Jack" a most interesting assignment. We trained a number of our associates there under Charlie Rousseau and achieved some very remarkable results.

In Sympathy

Our sincere sympathy goes to *Margaret* and *Bob Malburg* in the loss of Margaret's father January 3, and to *Penelope Malone* and *John Champion* in the loss of John's father, March 7.

Is it possible?

Running a Business and Relocating

By—Becky Waldrop

When *Mike* joined KSA a couple of years ago, many considerations were made prior to our decision to work with the company, as with all relocating KSA families. The most difficult variable in our decision-making was the fact that I owned a small business. The question, “How do you relocate with your spouse and maintain a business of your own?” We weren’t sure it was possible.

The “business” is a very small corporation based in Georgia which designs and markets charts, kits, and leaflets for counted cross stitch (see photo for sample), an immensely popular form of needlework. I’d been in business three years when Mike decided he wanted to join KSA . . . the first year only my mother and a handful of needlework shops in the Southeast were aware of my existence. Fortunate enough to have been one of the designers who stumbled into the market in its budding stage, I was working hard trying to claim a portion of the surging market for my company.

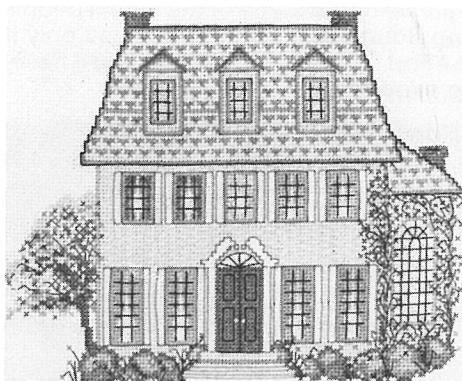
Problems with “setting up” for a relocating life style are as diverse as the people who relocate. It was clear I could not change my mailing address every six months (or less) and move the company with me. Though our shopowners are loyal customers, they have enough trouble without chasing MARBEK, INC. (the company’s name) around the country. The alternative was to “settle” the company in one location and turn over the shipping portion to someone capable and trustworthy.

Several shopowners offered to let their address be my address with their staff handling shipping . . . especially one very aggressive man in Virginia who promised he would handle *everything* for a cut of the profits! The thought of turning that responsibility over to someone I knew only slightly gave me intense feelings of panic.

The answer came in the person of my father. Anyone who has built a business of their own can understand going through very possessive stages. . . I was definitely in that stage. My father had been involved in the business a couple of years, attending trade shows, working with shop owners, and had even gone so far as to learn to cross stitch, so he knew the ropes. Being an exceedingly bright man, I knew he would quickly learn what he didn’t already know. Being a perfectionist—a quality that made it difficult on occasion for me as a child—would make him a truly valuable addition, but most importantly, he had a real feel for my business and I trusted him implicitly.

Still I hesitated. A cardinal rule in business is to beware of employing family and friends. I considered and sought some wise counseling and decided to give it a try. . . . After all, it never stopped the Rockefellers! Although my father already had and would keep a position with Delta Airlines (28 years), he agreed to work with me also.

The business has thrived in its strange, separated status. We doubled our sales the first year we incorporated in Georgia, and will double or possibly triple sales this year. I have a good accountant and a fantastic lawyer in Atlanta. My father is in charge of the operational side of the business, handling shipping



New for spring from MARBECK. The Colony House Collection.

and the other multitude of chores necessary in my absence. I still do the designing and handle the billing and major decisions. Between the accountant, Mike and me, we fulfill all the financial and bookkeeping responsibilities.

The business has thrived for several reasons, other than our success in competing in the marketplace. After three years, I needed to reorganize and take on some help but, as I said, I was very possessive, as people with a small amount of experience in business insist on trying to do everything themselves. . . almost to the point of destruction.

Relocating with KSA forced me to do a lot of things that needed to be done. Now I design very happily in small towns in the Southeast. . . undistracted by shipping problems and telephones, for the most part. My father has organized his portion so successfully that everything runs more smoothly than when I “managed” things. We talk on the phone almost daily and I’m in Atlanta quite often so I still feel a part of every aspect of the business.

Relocating has many problems inherent in the life-style it prescribes. It’s easy to overlook some of the positive aspects. For me, even in business, I have gained a great deal. I’m now able to visit the shops that carry our line all across the country. I can do promotional “designer’s days” in the shops and talk personally with the stitchers who buy my designs. It has added much to my knowledge of what my customers want and, indeed, to whom I am selling. I also have a perfect entry into each community where we live. If cross stitch is not there when we arrive, I make sure I leave it there upon departure.

I travel to trade shows several times a year, but so far Mike has been able to fill in for me with our son, *Jonathan* (10), with some good, after-school babysitters, and Mike has been able to attend some week-end shows with me.

Any woman who owns a business will tell you that next to her own initiative and hard work, the cooperation and support of her family is paramount. Mike has been on “my side” from the beginning.

So, the answer to the question is, “Yes, you can relocate and run a business of your own.” There are many things you *can* do. I hasten to add that I do not recommend this as an answer to every wife’s career ambitions. Obviously, there are times when I feel I should be in Atlanta instead of in my office in Scottsboro. I don’t handle it successfully at all times, but if I stayed in one place—I hear people really *do* that—I’m afraid I would still be overwhelmed at times. As wives,

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KSA/USA

By—Jack Ullman

1980 Performance—A very strong final two periods brought our 1980 performance above expectations communicated to you at year end.

	Actual	Change from 1979
Gross Billings	\$12,073,000	+12%
Pre-bonus, Pre-tax Profits	\$ 2,893,000	+34%
Net Profit	\$ 865,000	+48%

(These comparisons are from internal unaudited statements. Stock plan contribution, if any, has not yet been determined and profit comparisons are before extraordinary 1979 stock plan contribution.)

Many factors contributed to the splendid results. A few of them bear mentioning:

- Record performance in MSD... growth and margins.
- A strong recovery in MMD after slow start following weak sales second half of 1978.
- Outstanding collection performance with bad debt losses reduced to .8% of volume (from 2% in 1979) and collection period brought to less than 60 days.
- Successful planning and execution of our coordinated marketing efforts by industry, regional, and functional managers with super P.R. support.
- Achievement of our recruiting goals with top quality intake.

Others, to be sure, but above all, delivery of *top quality* service to satisfied clients. We can all be proud of very good results in difficult times.

1981 budgets and, economy willing, 1981 will set a record.

Budgets call for:

	Actual	Change from 1980
Volume	\$17,484,000	+16%
Pre-bonus, Pre-tax Profits	\$ 3,867,000	+34%
Net Profit	\$ 1,049,000(6%)	+21%

Realization of budgeted performance for 1981 will put two very good years together for KSA/USA. Real growth will be achieved during a recessionary period, and substantial rewards through increased CPS, deferred benefits and profits will be realized.

The Outlook—Can we do it? Again, we face an uncertain economy. KSA has its act together, but it will take extraordinary effort on the business development front in the face of "concerned" clientele.

We have contingency plans to protect our margins, should we be unable to develop sales. But we hope to avoid implementing them. We must all turn our efforts outward to concentrate *now* on finding and closing business development opportunities... not tomorrow, TODAY! We must build our backlogs to cushion a potential slowdown.

We must operate—every one of us—with a sense of urgency to follow up every lead with the individual(s) most likely to help us close the sale.

KSA has turned the corner from the difficult, recession-plagued seventies. We invested heavily and now have the quality of people, services and diversification needed to meet our growth objectives. We're positioned

for an outstanding '81 and, with 29 planned recruits, an even better 1982.

The economy tells us that achieving our goals will be difficult. The rewards are there . . .

- Satisfied clients
- Professional satisfaction
- Sense of accomplishment and pride in KSA and ourselves
- Enjoyment in what we do
- Financial rewards

Let's achieve our goals and reap the rewards. We can do it.

Running a Business—Cont'd

we are often too hard on ourselves in this business of relocating. What we do is difficult and demanding . . . it is a career in itself. For me, though I don't do it perfectly, having something of my very own to build and work toward has given me a sense of security and purpose in relocating. I don't intend to waste the possibilities.

New Members Elected To Steering Committee

The ongoing policy of rotation of STECOM members continues and as of spring meeting, 1981, four new members will join this group. Elected Chairman for a one-year period beginning with this meeting is *Jack Johnson*. Elected as new members for three-year terms ending in fall 1983 are: *Jim Hicks, Richard Lusk* and *Steve Schlehuser*.

STECOM currently has some very interesting topics on the agenda including an analysis of Total Cycle Considerations for textiles through retailing. In addition, we are examining several internal matters related to Project Scheduling and Time Accounting Methods.

The spring meeting is scheduled for early May at Sea Pines Plantation. As always, STECOM welcomes any suggestions for meaningful topics from anywhere within KSA.

WANTED TO TRADE . . .

One month or less in U.S. for same in Sao Paulo, Brazil. 5 bedroom house complete with maid, pool, car/chauffeur. To trade for U.S. house and car anywhere east of Mississippi River. Bringing no children to U.S., but children are welcome in home in Brazil. Contact *Judy Turrentine*, Atlanta Office 404/892-0321. (The Brazilian home belongs to Howard Mallek, General Manager for Shirts Division of Alpargatas in Sao Paulo—one of our clients.)

Congratulations

Wedding—*Chuck* and *Judy Harris* were married October 31. We apologize for being so late in sharing this good news and in extending our best wishes to the newlyweds, but we didn't hear about it in time for the last edition.

Births—*Jeanne* and *Hayssam Barakat's* daughter, *Angela Karia* was born December 3 . . . *Alison* and *Hal Wilson's* daughter, *Cynthia Mary*, arrived January 3 . . . *Celia* and *Geoff Gibson's* son, *Jonathan Tanner*, born February 25 . . . *Peyton Baskin Brooks*, born March 28 to *Tony Brooks* and *Molly Baskin*.

FREDDIE WOOD

THE PICTURES on this page record a pleasant ceremony that occurred in January when *Freddie* (not Frederick, not Fred) *Haas Wood, Jr.*, received his 25-year watch from KSA.

"Now that we know he's likely to stay with the company, and we've got some good candid, why not publish a Profile of the fellow?" mused the Editorial Board of *The Observer* in a hastily arranged conference call. Here it is, long overdue.

Freddie Wood has been a leading force in KSA for most of his 25 years with the company. After earning his bachelor's degree in Industrial Engineering and Textiles from Georgia Tech in 1954, he did a two-year stint in the Army and then became a KSA apparel consultant in 1956 (we didn't recognize textiles then). After five or six years of engineering cutting rooms and necktie plants in the South, he had displayed enough energy, acumen, and thoroughness to convince management that he was just the man to look after KSA's fledgling interests in England. So Freddie became the last of KSA's American proconsuls in Britain, following *Dean Vought*, *Ross Runnels*, and *Stig Kry* in that post. *Stuart Hollander* then succeeded him, and FHW returned to the U.S. for more apparel consulting. He was called back to Europe a few years later to manage all of KSA's operation there from Paris.

In 1966, KSA decided to get serious about textile consulting, and Freddie was given the task of fully developing a practice in that industry. His efforts met with considerable success. Our textile staff has grown from three to 17 consultants, and fees last year were \$2,500,000. But it wasn't easy. Although he is a frequently quoted and widely recognized industry authority today, it was "Freddie who . . . ?" in textile circles until about a decade ago.

Born with a philosophical turn of mind, Freddie's basic unflappability helped him through those difficult, anonymous years. Since then, his international travels have added extra layers of aplomb to give him world class stature in this respect. Very little disturbs him—not even unread mail. Since *Millie Simeone*, his secretary, perfectly complements Freddie, it's her problem.

Years ago, while leading a KSA seminar on unearned pay in apparel plants, (a classic of its genre), FHW was interrupted from the floor by *Karl Striegel*, then KSA's president. Karl questioned an error on a slide of a Weekly Labor Cost Analysis form. Without blinking, Freddie noted that there had been accuracy problems with that clerk, and she was slated for replacement. On to the next slide . . .

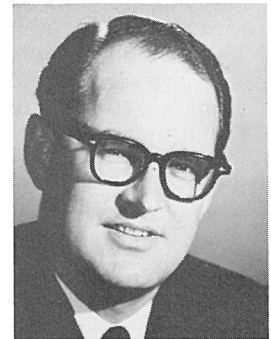
Freddie delights in probing comfortable assumptions, and has been an effective facilitator at group



JACK ULLMAN presents FREDDIE WOOD with a wristwatch, marking 25th anniversary with KSA.



FHW responds with some thoughts on what it takes to keep a consulting firm on the ball.



Once upon a time . . . FHW, sans mustache, but bushy-tailed withal.

discussions about KSA's present and future, as well as other cosmic matters. Whether in an office corridor, a meeting room, at lunch, or over late night beers, he is a stimulating and charming companion. A co-founder of the Milledgeville "After-You" Door Opening Society, he also played an important role in establishing KSA's staff meetings back in the Sixties.

Our subject's ability to relate well with people—sometimes known as "persuasive powers"—assumes legendary proportions among those who worked with him in his early consulting days. Freddie once showed a client's shipping room team that their daily standard of units packed could indeed be doubled, with no change in their basic wage rate. Not only did he succeed in this effort, but there was genuine regret on the workers' part when it was announced that Mr. Wood was leaving. "He's the only person who ever did anything for us," they said. He later spent some years heading KSA's activities in the Human Resources Development area. Small wonder.

Freddie and his wife, *Jarnetta*, are both accomplished water colorists, and our man's office walls contain a constantly improving and impressive sampling of their work—mostly scenes painted in the Great Smokies.

As a Senior Vice President with ultimate responsibility for home furnishings, carpets, and furniture, as well as textiles, Freddie's current interests at KSA cut a wide swath. But his primary interest remains the quality and essence of KSA. His innate modesty would rebel at the thought, but Freddie Wood has been one of the main keepers of our flame since Kurt hired him 25 years ago.

—JS

Around the Company

Communications Department

One of our more ambitious schedules for seminars dominated the first quarter of the year . . . and almost sank it. Six were planned, two were added, but then two events were scrubbed, so we're still afloat.

KSA presented a new two-day seminar on inventory management for apparel manufacturers in February which proved both a box-office (28 attendees of high quality) and artistic success. *Dave Cole* led a panel of speakers that included *Randy Nord*, *Joe Irastorza*, *Jill Greenwood*, and *Tony DeMaria*, with *Keith Nelms* putting together a computer demonstration of inventory modeling. Considering its topicality, and all the work that went into preparing it, this seminar is due for repeat performances. It ties together all the activities in an apparel season in terms of their impact on inventory.

Another new seminar was presented in March—one day on applying and justifying new apparel technology. Speakers included *Ken Osborne*, *Nort Eberly*, *Charles Topping*, *Frank Armistead* (aided by the ubiquitous Mr. Nelms and his computer), and *John Wilcox*. An audience of 40 manufacturing executives attended this Atlanta event.

In January, *Mike Barnes* and *Randy Nord* told a group of almost 40 retailers how to get into EDP, and two months later, Mike delivered a presentation of a prototype production control system for clothing manufacturers (JTR project) at a CMA meeting in Philadelphia. In February, *Freddie Wood*, *Bill Reed*, *Gerry Turbyfill* and *Josh Taylor* presented a one-day program on productivity to a meeting of the American Yarn Spinners Association, and later in the month, Josh garnered heavy publicity for his talk on strategic issues facing textile manufacturers at a N. Y. Board of Trade meeting.

These six events were all well received, showed more of KSA's variety, and only required 687 slides (10.56 per day).

Unfortunately, scheduled seminars on inventory management and strategic planning, both for textiles, had to be postponed for lack of attendance.

In other areas, our new traveling exhibit was successfully unveiled (it didn't fall down) at the NRMA show in N.Y. during January . . . *Jack Ullman's* AAMA speech on productivity received excellent coverage in the trade press . . . *Greg Murphy's* annual round-up of training costs was written up in the March *Bobbin* and, in the same issue, Greg's picture mysteriously appears in a story on AAMT at Brooks Brothers.

Health Services Division

"Put on the flack jackets and go to it!" seems to be *Paul Flood's* common admonition these days as the HSD troops push ahead with their projects, plotting strategies and dodging bullets from regulatory agencies and the various parties affected by recent projects.

Fran Fowler, *Don Seymour* and Paul have been stirring up interest in Cleveland, Tenn. where they've just completed a wage and salary program for Bradley Memorial Hospital. The only problem yet to be resolved is how to put the housekeepers in the same skill category as the nurses . . . the level in which they think they belong!

Pete Paddrik, *Virginia Lamb* and *Charlotte Branton*

With Golden Memories Ed Owen Retires



I recall reading the KSA News, Volume 6, Issue 2, December, 1954, Page 10 . . . I really do recall all that, but non-believers can check it out! The article was headed "New Engineer" and had a biographical sketch of EBO, and listed his work history, education, roots, and the usual things, plus one tidbit which I ignored over the years . . . to my chagrin. "You golfers better take it easy on your bets."

Friday, March 13, Edwin B. Owen was toasted and roasted at a retirement dinner in Atlanta's Colony Square Hotel. It would have been difficult to arrange such an event to include all of EBO's friends, so we limited invitations to only those who worked closely with Ed over the last 27 years.

Ed's good-naturedness allowed us to divulge personal secrets such as how he cataloged his money, "... earned Dollar #1, earned Dollar #2, . . . #562,311, etc." On the more serious side, Ed was presented with a beautiful clock that has become almost symbolic with KSA retirement. In the presentation *Jack Ullman* noted that Ed has joined the select club of seven KSA retirees. In addition, Ed was presented with a framed replica of a pair of gold bib overalls captioned "With Golden Memories." And there are such memories. Good luck to you Ed, a dear friend. —*Bob Malburg*

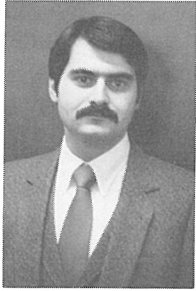
have been doing their best to battle the health planning agencies in Memphis, Tenn. for St. Francis Hospital. Along with pushing an acquisition of a nursing home through the bureaucratic process, they are close to gaining approval for the addition of 300 new beds in a city which planning agencies describe as "extensively over-bedded." A tough job, well done!

Another battle zone developed in Atlanta where Virginia, Paul and *Sheryl Siegel* have been fighting back the regulators while developing a turn-around project for the Hughes Spalding Pavilion. The hospital and project have received extensive news coverage, but we've yet to see any of KSA's smiling faces on the six o'clock news.

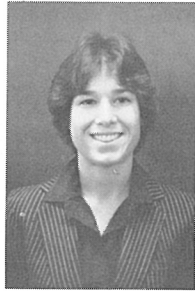
Ron Everett and the writer have also been active in the Atlanta area mobilizing the forces required to develop and then gain approval for a \$30 million expansion project at Northside Hospital, well-armed with the 350-page documentation of need which HSD

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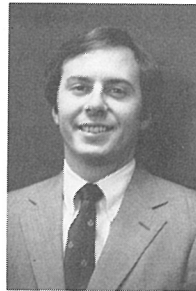
New Staff



Garza



Walker



Watts

Cesar M. Garza... Age 26. Wife, *Leslie*, 1 child. Ph. D., Physical Chemistry, Texas Christian University. Language capabilities are Spanish, native language; he also reads and understands Italian and Portuguese. Interests: camping, hunting, chess, reading, soccer, racquet ball, carpentry.

Patricia Walker (Pat)... Age 22. Single. BSIM, Georgia Tech. Interests: Photography, painting, history, guitar, tennis.

Stephen E. Watts (Steve)... Age 29. Single, MBA, University of Florida. Six years in U.S. Navy, Lieutenant. Interests: Tennis, photography, micro-computers.

Around the Company—Cont'd

authored.

Along with these major battle areas, HSD has been active on many other fronts ranging from long range planning by *Jim Wermert*, *Don Seymour* and *Paul* for the Community Hospital of Roanoke Valley, Va., to L.E.T. training by *Fran Fowler* for W.B. Kessler Hospital in Hammonton, N.J.

While not developing strategies or going to battle, the HSD group found time to plan for future growth and widening horizons. With no casualties to date, and an impressive record for support, the group is poised for new skirmishes and battles. Bring on the regulators!

—*Mark Richardson*

Retail Industry

In 1980, retail industry consulting made its first major contribution to KSA's overall well-being, with fee income exceeding \$1.4 million and gross profit contribution approaching \$750,000.

Functionally, Physical Distribution led the way with an outstanding year—due in no small measure to the efforts of *Tony DeMaria*, *Peter Cleaveland*, *Dwight Totten*, *Todd Barr*, and several other PD principals, and a host of outstanding consultants too numerous to list. At the end of the year, 16 people were heavily involved in retail industry PD work in the U.S., 10 of whom were full-timers.

MIS and GM&M also had a respectable 1980. Both functions were at or slightly over fee budget and ahead of their sales budgets.

During 1981, we intend to build on the excellent PD productivity improvement work with such firms as *Dillard's*, *J.L. Hudson*, and *F. & R. Lazarus* by aggressively contacting and meeting with operating executives of large department and specialty stores. Four such proposals have already been made, and prospects for making numerous others are extremely good.

Meanwhile, *Rudy Greer* will be guiding a more focused sales effort in GM&M, with emphasis on marketing positioning.

1981 should be another good year for KSA in the retail industry. Like 1980, sales will be slow during the first half; unlike 1980, however, we are fortunate in having a strong backlog, so fee income should remain quite strong.

—*Jim Giddings*

Training and Professional Development

KSA's first six-weeks' course of the year was completed in February, and the graduates are on their first assignments. There were three from Europe in this class... *Kurt Gallmann* is on a training assignment in Commerce, Ga.; *Johannes Molzberger* and *Arnulf Fleischer* have returned to Germany and are on GM&M assignments. Others in the class, *Jud Cairns* (Systems), *Cesar Garza* (MMD), *Pat Walker* (MMD), and *Steve Watts* (PD) are on assignments in their respective functions. We expect the next class, in June, to be a large one.

During 1980 the following consultants have completed self-study courses:

KSD—*Laurey Millspaugh*, *Mike Waldrop*, *Gary Brown*, *John O'Connor*, *Chuck Harris*. **Standard Cost**—*Roberto Bequillard*, *Mike Furbish*, *John Schleicher*, *Mike Waldrop*, *Mike Fodor*, *Doug Sherwood*, *Bill Chamberlain*, *Mark Schneider*, *Tim Brown*, *Gary Brown*, *Mark Foreste*, *Joe Reid*, *Laurey Millspaugh*. **Cutting**—*Gary Brown*. **Material Utilization**—*John O'Connor*. **Survey Problems**—*John Schleicher*, *Kent Davis*, *Mark Schneider*, *Joe Reid*. **Annual Report Analysis**—*Tom Barts*, *Mike Furbish*. **Financial Analysis**—*John Schleicher*. **Textile Engineering**—*Jeff Palmer*. **ROI**—*Bernie Wolford*, *Mark Schneider*, *Mike Baird*, *Mike Furbish*. **Men's Clothing**—*Tom Barts*. **LET**—*Mike Ellison*, *Jeff Palmer*, *Ken Wilson*, *Jim Trautman*, *Dave Perdue*, *Don Seymour*, *Jerry Armfield*, *Chuck Gilreath*, *Jean Snow*, *Scott Hodson*, *Tom Gibson*, *Tom Barts*, *Bill Beckemeyer*, *John Caldwell*, *Hugh Batten*, *Cesar Mantilla*, *Janice Haynes*, *Lynn Spuhler*.

Last year was a very good year in resident engineer and plant managers' training, and we anticipate another good one. The first engineering course began March 2. We do appreciate your sending students to us.

Thanks to *Zeb Roberts'* efforts, we conducted an internal seminar on special incentive systems...we had 19 participants.

—*Bill Cameron*

KSA-Ltd.

The United Kingdom is currently divided, somewhat unequally, between those who think Mrs. Thatcher is right, and those who believe her to be wrong. In KSA we are mostly optimistic "don't knows," having been taught to see both sides of any argument.

At any rate, business the first two months of this year has been encouraging. In sales terms, we have been 30% or more over our budget, although this will take a little time to reflect in fee income as we build our presently low backlogs. Our proposal rate over the past two months has been substantial and as business confidence picks up, we should see better conversion rates and quicker lead times between proposal and sale. Our Systems Group is perhaps the most buoyant part of our practice. As an example, we expect to have over 60 factories in the UK successfully using KSA micro-processor systems by year-end, starting from almost zero base early last year, and our other MSD work is generating new sales.

Our small Retail Group is also having some good results. We are likely to be involved in a large

Continued on page 11

management information systems assignment for the largest pharmaceutical retailer in the UK later this year as a result of a previous assignment, and as we go to press, we have just sold a staff planning and control assignment to a large supermarket chain.

We are beginning to see an increased interchange between the UK and the USA. I had a busy and personally rewarding visit to New York and Atlanta late in 1980, and at the time of writing, *Geoff Ayling* and *Eugene McIlroy* are on assignment in the States. We plan for *Bill Reed* and *Freddie Wood* to present the Textile Productivity Seminar in the UK in late April and *Ron Brockett* will be involved in the LET work in the UK soon. These and many more initiatives are helping us to build our practice with the best of KSA and we are all grateful for the help and goodwill our colleagues provide.

By the time this issue is published, we will have had our national budget, on March 10. It's dangerous to predict, but we can hope for the beginning of some relief for industry in that budget, and can look forward to continuing the present small upturn for KSA in the UK.

—*Harry Lack*

German Region

After a very difficult 1980, signs for 1981 are more positive. Efforts begun last year have turned into sales, and actions to reshape the team here show results because of our flexibility and being better staffed to meet market demands.

We are excited about our first big assignment at a well-known \$150 million textile mill, having won against such strong competition as Werner Textiles, Geerts, TBG, Roland Berger, and Lennoch. We also recently started an analysis of the marketing concept which will involve KSA/USA expertise. . . *Freddie Wood* will come here to share the experience gained in major strategic

assignments in the U.S.

Although it cannot be called a breakthrough, we do have more new companies on our retail industry client list. This is of major importance in Germany inasmuch as we found that our greatest weakness in getting into this new industry was the absence of references upon whom to call. OCO has proved to be a very valuable tool in attracting retailer interest.

With regard to the apparel industry, we increased efforts to broaden our client base in Germany itself. We found ourselves in the position of having only 25% of our PMS (AMMD) work in our home country. In addition, we are experiencing what is called "being in the market with a mature service" (pressure in bringing our fees through, competitors—mainly ex-KSA consultants—breaking into this area with much lower fees, and in-house competition). Service developments are underway to ensure successful consulting in coming years, and new services such as LET, warehouse incentive programs, Micro-processor programs, etc., are being offered to the industry.

In GMS (AMSD) we are now in a much stronger position in view of market needs. The problem here is shortage of supervisor capacity which will give us difficulties during the next two years. Much depends on how we develop our new colleagues and our success in recruiting.

In PR, last year we finished a major marketing study: "Development of Consumption of Apparel in Germany up to 1990." About 20 of the best names in the textile, apparel and retail industries took part and paid for the study. It was unique in its form, its relevance to the problems and its results. It is a valuable tool for strategic work. We got very good PR from it and will be writing an article about it for the *Observer* very soon.

Altogether, a good start for 1981. There's a lot to do and we gladly accept the challenge.

—*Hans-Horst Hensche*

Atlanta Office



de la Hoz



Whitlow



Zeitouni



Prindaville



Owen

A warm welcome to the above ladies. *Alicia de la Hoz*, administrative assistant in Basic Textiles, came to us from Sangamo International. Alicia is bilingual, a graduate of Massey College and previously executive secretary at Georgia Motor Club (AAA) and Coca Cola, USA.

Cynthia Whitlow, proof reader/editor in our Word Processing Department, is a native of Knoxville, Tenn., with a BA in English and French from the University of Tenn. and an English MA from Peabody College. KSA is fortunate Cynthia left teaching for the business world.

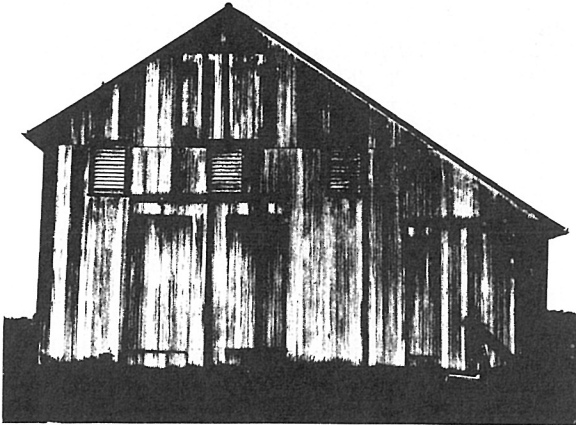
Jane Zeitouni, a staff member of Word Processing and familiar with our Lanier equipment, had been employed by Girl Friday. Atlanta has been Jane's home for the last 12 years. Her husband, *Joseph*, is studying for his ME degree at Georgia Tech.

Ann Prindaville, a member of our Accounting Department is currently working toward a business degree at Georgia State. Ann's an Atlanta native and her interests include scuba diving, snow skiing, cooking, racquetball and underwater photography.

Julie Owen, another member of the Accounting Dept., will be move coordinator and travel clerk for KSA. Her interests are sewing, photography and cooking. She's an advisor for the senior high department at Decatur Presbyterian Church and a Sunday School teacher. Julie plans to be married May 2.

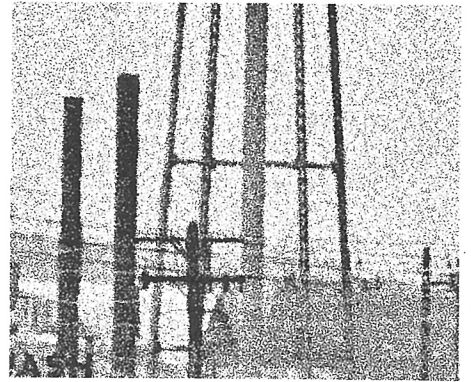
Carol Morris of the Atlanta office has resigned after nine years of dedicated work. During her career at KSA, Carol worked in Physical Distribution, Management Information Systems, Basic Textiles, and Furniture.

KSA Opens Strategic Office



KSA's newest office, located in Rock Springs, Wyo., will soon rival the Atlanta office in size and prestige.

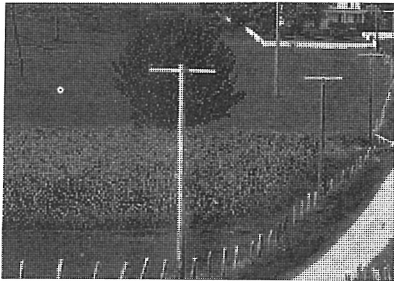
The Observer is indebted to *Bob King* for providing pictures of both KSA's newest office and surrounding area of Rock Springs/Great River, Wyoming.



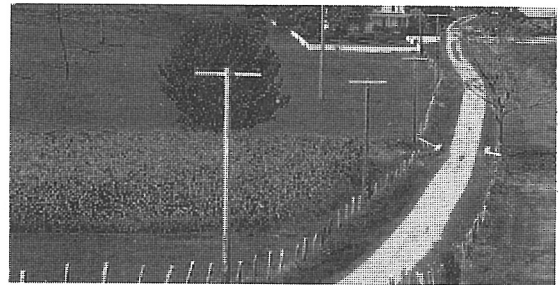
On weekends, there is plenty to do! Many people enjoy visiting this nearby oil derrick, only 150 miles away.



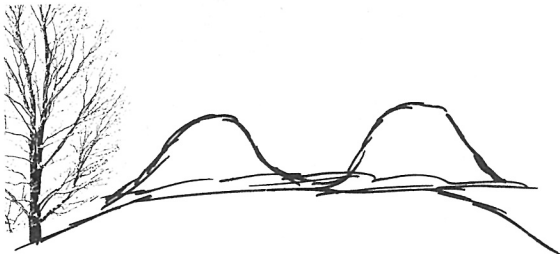
Many people don't believe trees grow in Wyoming unless a river is nearby, but this one is only 120 miles from the office.



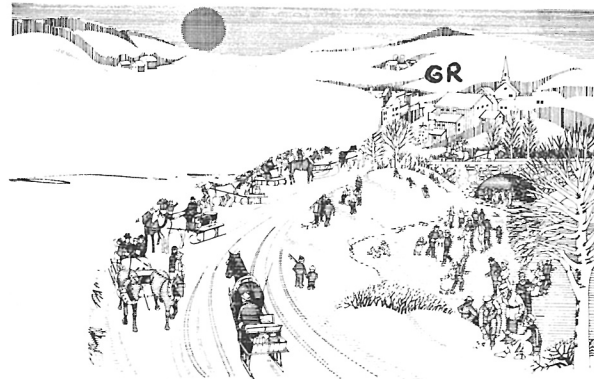
This is a rare photo of a young Wyoming State Tree.



Here is the same tree a few months later, at maturity.



This is the Mae West Memorial. It was the origin point of an expedition sent to check rumors of KSA offices in Casper and Hannah. Unfortunately, the expedition never returned.



Locals hail KSA's new office as a boon to the economy by spelling "GREAT" on a mountainside. The sign is only a few miles from the office, in nearby Green River.