

The M. Lowenstein Story . . .

By—Freddie Wood

Preamble—The excitement of consulting remains as strong today as it did 25 years ago when I entered the profession by joining KSA.

The *challenge* of solving difficult problems, the *stimulation* of working with a group of dedicated and capable professionals, and the *satisfaction* of seeing real results achieved remain the essence of consulting. The psychic rewards for the consultant are great.

During the last 18 months, a number of us have been involved in projects for a major textile firm which epitomizes these characteristics of the consulting profession and which draw fully upon KSA's unique capabilities.

Introduction—M. Lowenstein is a major U.S. textile firm. It was started as a textile merchant, became a converter of textile fabrics, subsequently acquired large dyeing/printing/finishing facilities, then acquired greige mills, later diversified, and by 1970 was the fifth largest U.S. textile firm.

By the late 60's, MLC was the largest producer of printed apparel fabrics and was a major producer of brand name sheets. The firm brought in a president from Revelon—a Georgia Tech graduate—and began a period of diversification, entering into double knits, towels, carpets, industrial fabrics, upholstery fabrics and textured woven fabrics. The double knit, towel and carpet business failed.

In 1977, the company brought in a new president, this time from Milliken—and another Georgia Tech graduate. Sales then were \$550 million and the company lost \$6 million that year.

The new president brought in several executives—most of them from Milliken—reorganized the company, imposed rigid controls over inventories, and installed an effective standard cost system. He began a variable cost reduction program through an experienced chief industrial engineer and an aggressive IE effort was instituted . . . using a team of about 100 IE's. Greige mills were put on a seven-day operation. The marketing groups were reorganized, and a systems and administration specialist was hired to develop effective information and control systems.

In 1978, sales grew to \$605 million and profits were \$12 million, an \$18 million swing in profitability and the best performance in many years. However, in 1979, things began to deteriorate. On sales of \$645 million, the company lost \$3 million. Some concern developed over the general strategy and tactics being employed.

In late 1979, the Chairman of MLC contacted KSA. He expressed concern over the performance of the Apparel Fabrics Group, the largest part of the company, with sales of \$360 million. This group was losing about \$30 million, pre-tax. Serious reservations existed over

the ability to turn around this group with the course being pursued. Time was of the essence and MLC wanted an analysis conducted quickly.

Enters KSA—Bob Frazier prepared a proposal for conducting a strategy audit of the Apparel Fabrics Group . . . to be completed in 90 days! The proposal was reviewed by MLC along with proposals from McKinsey and Arthur D. Little. KSA was selected.

Apparel Fabrics Group Audit—In putting together the team to conduct the audit, Bob drew upon KSA's functional and industry skills and knowledge. For the market analysis, Bob Nahas, Jill Greenwood and Eric Cantor combined their talents. Gerald Turbyfill and Bill Reed conducted the manufacturing evaluations. Josh Taylor reviewed the systems and administrative aspects and Bob Frazier and Bob Nahas the organizational aspects. Basically, the findings were:

- Most of the markets MLC was in were stagnant;
- Competition was keen;
- MLC's reputation for styling, quality and service was relatively poor;
- Many of the plants were in the lowest quartile of technology and productivity;
- Variances were high due to complex product mix,

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KSA Hosts Financial Breakfast



FREDDIE WOOD addresses breakfast group.

Our annual Financial Breakfast in New York was the best ever—both box office and artistically—according to our own hard-to-please critics. We sold 142 tickets and drew good press representation. In addition to KSA's speakers (*Wilcox, Wood, and Nahas*), the CEO's of Warnaco and Fab Industries, and a leading Wall Street analyst, delivered excellent talks. Advance sales of the full Financial Profiles were at a new high, and we expect our mass mailings will bring in many more orders.

Chairman's Corner

After more than 20 years in consulting one might expect business travel no longer to be as exciting as it once was. Yet, I have just returned from the most exciting and most interesting overseas trip.

In June I visited Japan, Mainland China, Hong Kong, Taiwan, and Korea in that order.

Japan is a fascinating country, in which people live and interact with one another very differently from Americans. There is so much emphasis on the group, the group at work, the family at home, the team in sports, in school, etc. Everywhere the group is the important unit. The individual's importance is not emphasized nearly as much as in our society.

The people have so much grace in their life and in their traditions. While not a student of Japan, I am fascinated by a society that is so different and which seems to work well.

Before turning to business I just want to say, from a personal point of view, the visit to China was the highlight of the trip. I had not been there before so all was new. In some ways China (what I saw of it) was as expected . . . hordes of mostly very poor people, uniformity and drabness of dress, millions of bicycles, primitive farming methods, etc.

There were the reminders of China's past glory reflected in the Forbidden City, the Ming Tombs, and the Great Wall. All these monuments to China's past greatness must be seen to be fully appreciated . . . photographs do not do them justice.

I expected that people living in poverty under an oppressive political system would show despondency, resentment and perhaps hostility to visitors. I saw none of that. The people in the street and those we met were friendly, smiled easily and seemed to accept their lot very well.

The International Apparel Federation (IAF), of which I am one of five U.S. Directors, had its annual meeting in Osaka on June 2 and 3. The conference was dominated by the ongoing MFA negotiations. These negotiations will largely determine the extent to which international trade will be allowed to grow over the next four years or the extent to which new limits will be set on it. The apparel industries in the developed countries making up the membership of the IAF naturally want to see more restrictions while the less developed exporting countries want more liberalization.

After the Osaka meeting the IAF delegation made a nine-day tour of 13 apparel factories in Beijing, Shanghai, and Guangzhou (Canton) as guests of the Chinese government. This was a real eye-opener for all of us. We saw a great variety of Chinese fabrics made into many types of garments of good quality. We had heard many stories about bad quality, but the factories we saw were able to produce highly acceptable apparel for U.S. and European markets.

The factories had good—mostly Japanese—basic sewing equipment but otherwise were underdeveloped and totally lacking in engineering. Quality was achieved by basting, pinning, glueing, and pressing before stitching and, one could see that 20-cent per hour labor is

cheap and indeed plentiful. Productivity tended to be one-third to one-half of U.S. standards.

At the end of our visit an official from the Department of Light Industry invited KSA to send a study team to China to help them determine how they could best continue to make progress. This was very flattering since we may be the first consulting firm ever to receive such an invitation. It is another matter to convert such an invitation to a fee producing engagement. The bureaucracy works slowly and the whole concept of consulting is new to them. With 2,000,000 workers and 10,000 apparel factories the Department of Light Industry is now our largest prospective client . . . but don't pack your bags just yet.

Generally speaking, KSA now has better opportunities than ever before to do significant work in the Far East. The reason varies a bit from country to country. A number of very large apparel companies have emerged in Japan. I visited four of them with a volume of \$400 million to \$1 billion; all four companies are now developing strategies for distribution of their own brands in the U.S. and Europe. They recognize that in doing this they have much to learn and need consulting help. This could be our best opportunity to make a meaningful start in serving Japanese apparel clients.

The largest companies in Hong Kong have similar plans and there are also opportunities for engineering.

In Hong Kong, Taiwan, and Korea there is great interest in productivity and in adding more value to the product. Other countries such as Sri Lanka, Singapore, and Bangladesh have significantly lower wages and are, strictly on a cost basis, able to undercut the traditional big exporters.

In both Taiwan and Korea the governments are supporting and funding Textile/Apparel Federations with the task of stimulating productivity, improving quality, and the development of merchandising and marketing capability. I met with both of these federations and they were most interested in learning of KSA's expertise. I believe we will be invited to submit proposals to both in the next few months.

Also, four additional large companies are good prospects, two in Korea and two in Hong Kong. The largest of these, Daewoo in Korea, has 30,000 employees of which 10,000 work in one factory in Pusan.

While traveling with the IAF I had a good opportunity to talk at length with other participants. As a result, we may be asked to make an overview of selected apparel plants in Australia. While not a big industry, there may be opportunities for KSA there as well. Labor cost is higher in Australia than in the U.S. so they must be

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THE KSA OBSERVER

A quarterly report of the activities of Kurt Salmon Associates, published by and for its personnel, is mailed to homes and should not be taken elsewhere. Address all correspondence to Mary W. Baach at 7944 Meadow Lane, Newburgh, Indiana 47630.

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

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KSA's Involvement With Grupo CYDSA, Mexico

By—Buddy Ruppenthal

The Vice President of the Fibers Division of CYDSA, one of the Monterrey group of major Mexican corporations stated in the 1980 annual report: "We shall double our output of acrylic fiber in the next 30 months. Our primary objective is to combine this growth with productivity and quality that will put us at par with the international market."

Additionally, the annual report states: "CYDSA continues its efforts to develop people by means of training, job enrichment and the assignment of special projects. Over 40 million pesos were invested in training during the years. These two factors—growth and training—have made it possible to promote four out of ten persons to positions of greater scope and have offered ever-widening opportunities to all who work in our enterprises."

KSA's recent involvement is summarized in the report as: "In the third quarter of the year, the expanded acrylic yarn capacity of Novacryl, S.A. was put into operation as planned.

"Derivados Acrilicos, S.A., with manufacturing facilities in the city of San Luis Potosi, is our major project in acrylic yarn production. The plant was designed to incorporate the most modern technology available. This, combined with a *master training program*, will enable us to reach internationally competitive levels of productivity and quality. It is planned to start up the initial module in the first quarter of 1981. Work has already begun on the second module so that it can be in full production in 1982. The investment program of this division for 1981 includes starting up—early in the second half—the expansion of our acrylic fiber plant, which will bring installed capacity to about 65,000 metric tons per year.

"Our plans for increasing output and return on investment will be backed by an extensive program for raising operating efficiency."

The CYDSA Company researched the world for the ingredients of their DASA plant. The latest in machinery technology was purchased from many countries. The design work was researched throughout the world as far as the facility itself. A marketing study for the Mexican market was done by KSA to predict the size of the plant and to pick the size of the potential for the yarn. CYDSA evaluated world-wide consulting operations before selecting KSA to guide them in the start-up of this plant.

KSA's involvement in this entire fibers venture consisted of *Peter and Heidi Voget* working in the Novacryl operation (since February, 1980) to help improve its performance, while training employees for the Derivados Acrilicos (DASA) facility. The project was completed June 19, 1981. At that time, Peter walked away from the first module that is operating at an 80% efficiency range, with quality comparable to Japanese standards, first quality fiber running in excess of 95%, turnover in the low teens, and with no major accident thus far in the start-up of the plant. CYDSA officials, along with Mexican Government officials, have credited the *master training program* installed by KSA to be the major factor in enabling this plant to come onstream in this period of time.

The acrylic fiber plant—Crysel—has been the scene

A Musical Salute to a Charming KSA Wife

Heidi Voget, Peter's wife, performed as one of a duo in a piano/violin concert in San Luis Potosi, Mexico on April 10, 1981. The program included music composed by Veracini, Bach, Schubert, Kreisler and Beethoven. The concert was very well received.

Heidi began her piano studies at age seven and later entered the "Vany Knoll Conservatory" where she studied with Vany Knoll. At that time she presented herself in recitals in the city of Joinville as well as in cultural programs on Parana's television. She entered the "Escola de Musica de Belas Artes do Parana" to study Superior Piano and to obtain a degree in music. She studied piano and clavichord with Ingrid Muller Seraphim and chamber music with Bianca Bianchi. In 1977 Heidi received her Master's Degree in Piano, when she played in a concert at the Guaira Theater in Curitiba. She obtained a scholarship from the Deutscher Akademischer Austausch Dienst to specialize in piano and musical education in Stuttgart.

KSA is proud to have such an accomplished artist as one of its family.

of KSA activities in production operator training (*John and Annick Stevenson*), and maintenance training (*Craig and Barbara Thornton*.) (Craig now has full responsibility for this program and John has left Mexico for a project in Canada.) The results obtained in the last 10 months are most encouraging. Trained operator efficiencies are running 20% to 30% above other operators, and 10% to 15% above standard. The enthusiasm for the total project at the fiber plant—Crysel—remain high among managing personnel and those responsible for developing people.

All in all, the KSA team that worked with the Novacryl, DASA, and Crysel operations had many frustrating experiences; however, the personal and professional development of all involved truly enabled KSA to become more international. For example, consider the Vogets from Brazil, Annick from France, John from the U.S., Craig and Barbara from Alabama, *Jim Hicks* from Georgia and the writer from Alabama. To integrate that crew into a situation such as this—with language problems, technology problems, work methods problems—has been a compliment to the many long hours of work that have been put in by those directly involved with the project.

Chairman's Corner—Cont.

concerned with productivity and no one is better placed to help them than KSA.

There are other prospects and developments of interest. In my view the bottom line is *KSA has significant and growing opportunities in the Far East*. We shall have to go after the business because few if any of these potential clients will come knocking on our door.

—SAK

M. Lowenstein Story—Contd.

seven-day operations, old equipment and the absence of strong manufacturing management;

- SG&A costs were high, as were fixed costs;
- The organization was cumbersome, unwieldy and accountability was difficult to pinpoint;
- The president was overextended;
- There was a significant difference between the chairman and the president as to managerial philosophy and style.

On the positive side, the company had strong printing capability; had good plants for piece-dyed, lightweight fabrics; had some very capable executives and managers in the group; had a good standard cost system and a strong IE program and, of course, tremendous opportunity for improvement existed.

At the end of three months, the final report was presented to the Board. Among the key recommendations were the following:

- Shrink the business;
- Get out of nonprofitable market segments;
- Reorganize the marketing/merchandising departments into fewer segments;
- Divisionalize the Apparel Fabrics Group, with a group president responsible for profits;
- Reduce fixed costs . . . plant, group and corporate;
- Go back to five/six-day operations in most plants;
- Hire a strong head of manufacturing;
- Continue the IE program;
- Implement an effective employee training program;
- Resolve conflict between the chairman and president;
- Develop a set of corporate objectives;
- Employ more outside directors.

With the exception of the last two, the company followed through on all of the recommendations:

- Two plants were closed;
- The business was shrunk about 40% in unit volume between the first quarter 1980 and the first quarter 1981;
- Variable variances were reduced by about \$10 million in 1980.

The Board decided to relieve the president of his duties and the chairman became CEO and COO.

By the end of 1980, the group had a \$9 million pre-tax profit improvement and, in the first quarter of 1981, profits were \$7 million better than those in the same 1980 quarter. In fact, the Apparel Fabrics Group has exceeded our projections at this point by reducing variable costs through product simplification, hiring a new head of manufacturing, and achieving higher prices sooner than we anticipated.

But this isn't the end of the story . . . not by any means.

Domestic Group Audit—Following this assignment, MLC asked KSA to conduct a similar analysis of its sheet business. For this *Dudley McIlhenny* and *Eric Cantor* conducted the market evaluation and *Turby* and *Bill Reed* the manufacturing analysis.

Basically, it was recommended that MLC concentrate its efforts on the “upstairs,” brand name sheet business, capitalizing on its well established *Wamsutta* brand name. The company had a strong sales manager, and a president with flair and good styling. However, because of their relatively high cost manufacturing, they could not compete profitably in the mass market, cost/price sensitive segments which they also were pursuing.

Again our recommendations were adopted. Fortu-

nately, the company had the talent to implement the recommendations and significant improvements have been effected. During 1980, the pre-tax profit improvement was over \$5 million. And, *Wamsutta's* share of the “upstairs” business has increased significantly.

At the conclusion of these assignments, we were asked to develop a quarterly monitoring procedure for the Board, as well as contingency plans in the event certain performance criteria are not met. *Eric Cantor* pulled this together and developed some innovative approaches to presenting this to the Board in a clear, concise manner.

Still more to come!

Other Assignments—Next, we were asked to conduct an evaluation of the company's *Kandell*, flocked decorative fabrics business. *Jim Wermert* conducted this study, making the transition from health care to “lint head” without pausing for an extra breath. He presented some positive opportunities for profitable growth in this business. As yet, the company has not properly organized to take full advantage of these opportunities and we have some follow-up to do in this area.

We were then asked to conduct a more specific study of the future prospects of MLC's apparel fabric printing plant . . . the world's largest. *Eric Cantor*, working closely with the group controller, completed this complex study in short order. Board members have quite different views on this subject and *Eric's* clear analysis helped immeasurably in obtaining general agreement as to future directions for this facility.

Currently, we are conducting a sales compensation study for the Apparel Fabrics Group. *Jim Hicks* and *Jim Kirby* are handling this complex assignment, with differences among top executives as to how salesmen should be compensated. *Josh Taylor* is reviewing fixed costs again, as well as the production scheduling systems in the group, and *Bob Nahas* has worked with the president of the group on reorganization over the last year.

In addition to these projects, for the last 18 months, we have been acting as informal counsel to the chairman and Board on such matters as five-year capital expenditure program, Board membership, recruiting a new president, merit bonuses for executives, fixed cost reduction, management morale and overall corporate strategy.

Breadth and Depth of Functional and Industry Skills—The procedures, techniques and functional skills applied to these projects were numerous and varied. Just a few:

- Market Segmentation
- Share of Market Evaluation
- Competitor Analysis
- Brand/Consumer Marketing
- Business Portfolio Analysis
- Variable Margin Analysis
- SG&A and Fixed Cost Evaluation
- Organizational Analysis
- “Automated Time Study” Validity
- Technology Assessment
- Productivity Comparison and Evaluation
- Quality/Waste/Maintenance Assessment
- Performance Gap Evaluation
- EDP Costs/Effectiveness Evaluation
- Sheet Sewing Methods and Productivity Review

While the GM&M staff would be dealing with share-of-market, imports, per capita expenditures on apparel and demographics, the MMD staff would be dealing with an automated time study system, shuttleless

weaving, roller vs. rotary screen printing, six- vs. seven-day operations—and others would be dealing with inventory turns, planning and scheduling, EDP costs, SG&A and fixed costs, variable margins and order processing.

All of this knowledge, skill and ability was required for these projects. Without functional breadth and specific industry knowledge, these assignments could not have been conducted as effectively and efficiently as they were.

Results—From a pre-tax loss of \$11 million in 1979, MLC turned in a pre-tax profit of \$8 million in 1980, on a decline in volume of \$24 million.

In the first quarter of 1981, the company's pre-tax profits increased more than \$5 million over the same quarter in 1980. In the specific groups with which we have been most intimately involved, the improvement was \$8 million.

When we began our work, MLC stock was selling for about \$7 a share. Today, it is about \$26. Recently, an offer of \$49 a share was made by a major firm, a premium over book which is unusual for textile firms. While this offer did not go through, it illustrates the very different way in which MLC is viewed today by the investment community.

The Lowenstein story is not over. There is still much to do: develop managerial depth, develop an overall corporate strategy, refine overall corporate objectives, determine CEO/COO succession, monitor performance to ensure the company stays on course. If these things are done, MLC can move from the bottom quartile of textile performance—where it has resided for the last two decades—to the top quartile. KSA has helped them begin the move; they have followed through effectively so far.

KSA "Is" Unique—The work for MLC has required all of the skills and knowledge at our command... functional, industry, consulting and human relations. KSA's philosophy of combining *functional expertise*, *industry specialization* and *general management consulting skills* enabled us to assist this large company—with major, complex problems—to effect dramatic turnaround.

This is exciting stuff... and fun! And, the most rewarding part is the opportunity to work with outstanding professionals such as those who contributed to making something positive and good happen to this major firm.

After 25 years, the stimulation and excitement are still there!

Leave of Absence

Fran Preston, Jack Ullman's "Girl Everything," is taking the summer off to relax, loaf, have fun and rejuvenate body and spirit. She expects to return in September feeling as fit as when she joined KSA 18 years ago. We hope JJU can keep up with the Fran of yesteryear.

Fran is ever so grateful to *Linda Broadrick* who kindly offered to take her place and in so doing is reportedly saving the life of our Chief Operating Officer.

KSA/USA

By—Jack Ullman

Having been face to face with some 28 different clients—on their turf—and at least another 40 or 50 at industry and committee meetings thus far this year, I have formed some general impressions of what's happening "out there."

Visits with active and inactive clients/prospects ranging from giants like Levi's, General Motors, Oxford and Cluett, to medium-sized firms like Hartmann Luggage, Amity Leather Products, Cowden, Carwood, Wilkins, etc., as well as smaller firms have led me to certain conclusions:

- KSA's image has never been stronger. We are perceived for what we have to offer... excellence.
- There is an awakening among our clientele, a realization that: They must do better planning; they must have better controls; they must increase productivity in the total sense that KSA has been writing and talking about for many years; and, they are prepared to invest the money necessary to do these things.
- Business is or will be good. A couple of difficult quarters for some but, by and large, a very strong outlook for well managed firms. (This impression is limited to apparel and related products. It is not applicable to industry segments being "clobbered" by the economic environment such as carpets, furniture, mining, etc.)

Overall an upbeat impression of the external factors that will affect KSA's performance for the next 12 to 18 months.

These impressions are encouraging for the balance of 1981 and more so for 1982. Regrettably, not all segments of the economy affecting KSA are as strong and our sales/billings in some sectors are suffering.

Nevertheless, our year-to-date performance is encouraging. Comparing five periods 1981 with five periods 1980, we see:

	% Over 1980
KSA/USA volume	12.2
Pre-tax/pre-bonus margin	15.1
Cash and retirement bonus pools	14.5
Net profit, USA operating (6% of fees)	16.8

Not a dismal picture after five periods.

The Outlook

At the outset we stated some rather positive impressions related to the outlook for the major markets KSA serves. While our five-period performance is well ahead of 1980, we are operating at only 92% of budgeted volume and 77% of budgeted margins.

Based on billings to date, sales trends, backlogs, and general business climate as of the end of five and a half periods, we still conclude that KSA will have a reasonably good year.

Our apparel, basic textile, footwear, retail, and health care practices stand a very good chance of equaling or coming close to initially budgeted volume levels. We will, however, realize a significant shortfall in home furnishings (carpets, furniture and home textiles), mining and hospitality... offset in part by gains in other industries.

Our budgets called for 16% dollar growth for 1981. In

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A GM&M Project Moving from Strategy to Implementation

By—*Jill Greenwood*

Contrary to the popular notion that GM&M is wildly creative and mildly crazy, most GM&M projects could be categorized as part of KSA's Market Strategy Audit Service, which has been developing for three years. This service provides a systematic approach for responding to the client's need—usually focused on "How can I capitalize on my market opportunities," but sometimes expressed as "Help—I'm sinking, and I don't know why!"

The audit evaluates the client's external markets and competitors, plus internal resources and capabilities to clarify the client's present competitive position. This leads to identification of the best possible options available to the client to achieve his objectives.

Aileen is a recent example. The client is an integrated knitter, selling coordinated sportswear to females of all ages, sizes, and lifestyles. Sales have been weak since the 1975 high, and the loss in volume is killing profits. In recent years, some attempts to improve have been successful: new product introduction (active sportswear), replacement of poor management with proven management (the owners); but these changes aren't enough to ensure long-term survival and profitability.

The Market Strategy Audit revealed that Aileen had a unique competitive position in two market segments which was being eroded as the client focused its resources in other, less attractive markets. KSA recommended that Aileen achieve its objective of increasing volume by building the two businesses with greatest potential and phasing out the weaker segments. Options were based on repositioning in style, price and consumer targets, and on broadening distribution by selling new channels.

Aileen management wholeheartedly agreed with the analysis and decided to focus resources on developing the right businesses. But management was reluctant to phase out certain products, because they were at least absorbing overhead expense. On these products, the client decided to wait and see.

Technically the audit ends here, and represented considerable value to the client. However, real value comes with actual results and GM&M's major service development objective is to work with clients to assure the successful implementation of options. Implementation may range from a normal structured KSA project in any of our service areas to a managed "open-end" commitment to results, with an evolving project plan.

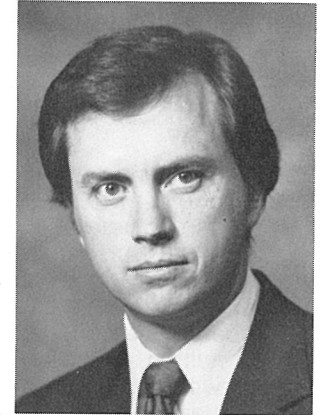
The latter approach is being used at Aileen. The client asked that KSA do "whatever is necessary to make it work." The first step was to develop a plan for penetrating a new distribution channel. This required a reconnaissance trip to the national chains. I met with key merchandise managers and then reviewed merchandise in the store. One time a couple of security guards disguised as women shoppers tapped me on the shoulder, to ask about my apparently suspicious behavior! From there, KSA has moved on to developing management's sales presentation, which involves boasting about what they do best. KSA is also helping the client set up a separate division to manage the new business.

Another project is to flesh out a comprehensive

Pat Pittard Named Employment Director

In his capacity as Director of Employment, *Pat Pittard* will supervise the recruiting of all new consultants for KSA clients.

As a native of Decatur, Ga., Pat received his Business Administration Degree from the University of Ga., attended graduate school at Georgia State University where he studied counseling and psychology. He was associated with the Citizens & Southern Bank in Athens and Atlanta for seven years and most recently with the Texas Commerce Bank in Houston. He will be based at KSA's Atlanta office.



marketing plan based upon the agreed strategic direction. Since this is a broad framework for everything that needs to be done, from organization to product line management, the project involves a good deal of response to daily management activities, guided by longer-term objectives. The answer to "Do you think we should use pink and blue?" must be something like: "If you can rationally support the use of pink and blue to increase your volume by X% then use it..."

There are many advantages to this "open-end" approach. First, it allows maximum integration and utilization of KSA and client resources to accelerate results. Second, resources can be directed to obstacles as they develop and which are difficult to anticipate. Finally the client can really benefit from KSA's position as an outsider since we can serve as catalyst, teacher, and umpire.

To be successful with the "open-end" approach, certain preconditions must be present. The client must understand clearly and be committed to the strategic direction. Also, the value of results must far exceed the cost of resources available to achieve them (including the client's money and KSA time). And no amount of hard work will be meaningful unless the client has trust in KSA.

There are certain risks involved. Changing strategic direction takes a long time, and the client's expectations must be managed through frequent meetings and a consistent series of small successes leading to the overall objective. And organizations requiring change can become a battleground of power plays, where the outsider may take all the blame for any problems that occur.

From KSA's perspective, the "open-end" approach is a difficult one. We must be even more dedicated to achieving results than the client, in order to push ahead. At the same time we must "go with the flow" as the implementation evolves—which means being prepared to accept and work with management decisions even if they were temporary setbacks; and it means being constantly innovative in our consulting response.

So far, this approach is working well. The client is beginning to see improvement, and GM&M is gaining ground with service development for implementation of strategic options. If only GM&M were wildly creative—maybe it could push ahead even further.

Around the Company

Carpets and Rugs

Although this division has been conspicuous by its absence in recent issues of the *Observer*, we have continued to expand our sphere of activity among carpet and rug firms.

The industry is undergoing profound change and has been seriously affected by adverse economic conditions. This has resulted in increasing acquisition and merger activity on our part with a variety of very interesting assignments. We have also been assisting others in developing strategies to better cope with the future. *Mac Ryland* has been spearheading this activity with a major U.S. manufacturer and has, likewise, been involved in extensive cost reduction programs with this company and others.

In view of changing conditions, Mac and the writer published an article in the May issue of *Textile World* with respect to the future of the carpet industry and what can be done by a company to achieve success in the uncertain days ahead.

The carpet and rug industry is becoming increasingly global in nature. We are offering a service in export activity to U.S. manufacturers and are, likewise, finding an increasing interest on the part of foreign manufacturers in the U.S. market. What firm is better equipped to serve these manufacturers than KSA!

Other activities of the division include *Bill Cobb* in carpet systems at Harding; *Doug Moore* at Masland and Crossley Karastan; *Bob Frazier* in development of carpet strategy business; *Josh Taylor* maintaining contacts previously developed in carpets... particularly systems related. KSA is maintaining a very high profile and is often sought after, but carpet business conditions preclude real sales expansion.

As an example of the fact that we work on more than the mundane, we are currently engaged by a major chemical company (Dow Corning) to determine whether a treatment developed by them for eliminating bacteria and odors in carpets and other products has commercial application and interest in carpets. So, if you see *Frank Wise* and Mac with their noses to the floor, you'll know the reason why. —*Bob Saunders*

This . . . After KSA

One of the operators at Tom Gibson's Arrow Shirt assignment brought him this photo of a ceramic nag . . . complete with the caption



One of the other ladies on the line (Join Shoulders) said she would look like this soon since she'd lost five pounds during the first week of follow-up. I told her we didn't charge any extra for that!

Communications Dept.

Three trade shows, two seminars, and two breakfasts may not sound like much for a three-month period, but when they all take place within six weeks, we get bent out of shape.

It all started with the Knitting Arts Exhibition at the beginning of May, kicked off with an important speech on competing with Far East sweater imports delivered by *Ron Chisenhall*. Both Ron's speech and chips were well received in Atlantic City . . . One week later, KSA was exhibiting at the Southeastern Hospital Conference in Miami Beach and the Western Apparel Manufacturers show in Los Angeles, which put a strain on our logistics. At the latter, *Jim Trautman*, *John Wilcox*, and *Joe Irastorza* presented a seminar on Pre-Season Planning and Forecasting, and *Jack Ullman* led a panel of Technical Advisory Committee members in a repeat breakfast presentation of the 1980 TAC report on computers in the apparel plant.

Meanwhile, back in Atlanta *Janice Ryer*, *Beth Souther* and *Carolyn Frasier* were checking the computer print-outs on our 10th Textile Profile and 9th Apparel Profile. This complicated task seemed to go a lot easier this year—no breakdowns, very few computer re-runs, no round-the-clock weekend sessions. Something must be wrong . . .

A major article on the carpet industry, co-authored by *Bob Saunders* and *Mac Ryland*, appeared in the May issue of *Textile World*. Another one on sales management, by *Jim Hicks*, was "reprinted" in time for the WAM Show, even though it won't be published officially until July. —JS

Retail Industry

BASE PLUS™ is the consulting service that is spearheading KSA's penetration of the retail industry. What is it? Nothing more than a sound incentive program with a few new twists. For example, every employee working under this program is guaranteed his or her established base hourly rate. No one's hourly rate goes down; most rates go up. Hence the name BASE PLUS.

To date, we have completed, or are nearing completion of four BASE PLUS installations in retail distribution centers . . . three with large department store companies and one with a medium-sized chain of apparel stores. Assignments are quite big and long; department store jobs thus far are requiring 12-16 months with two or three full-time consultants. Likewise, benefits are big and impressive. Net productivity increases are ranging from 30% to 60%, hourly pay increases are 10% to 15%, and payroll reduction is running in the 20% to 30% range.

Understandably, all four of our BASE PLUS clients are strong adherents of the program and of KSA. They are proving to be outstanding references as we move aggressively to generate more BASE PLUS business in retailing. Here are some of the ways we are publicizing BASE PLUS:

- New BASE PLUS article.
- Speech in Dallas to senior operating executives of a very prominent group of large department stores.
- Speech in London to an international group of retailers . . . mainly department stores.
- Speech in Detroit to middle and upper level operating management of the same prominent group (Dallas). On previous day, they toured one of our largest BASE

Continued on page 8

Retail Industry—Cont.

PLUS installations.

- Target list of 48 companies who receive personalized attention at regular intervals from three of us.

At the beginning of June, we had eight BASE PLUS proposals outstanding and were in various stages of working on as many as 17 others.

BASE PLUS should be a good, profitable service for KSA for several years. But it won't last forever. Stronger competition will develop, internal staffs will begin playing larger roles, and other things may catch the fancy of retailers. We can give it a longer life cycle, however, by keeping it exciting and current and by making it even better. A step in that direction will be the incorporation of quality circles into the BASE PLUS program for clients wanting it.

Don't get the impression that BASE PLUS is all we've been thinking about for retailers. Our marketing and strategy will continue to grow and develop... inclusive of merger, acquisition, and divestment work (two current clients and talking to two others.) Likewise, MIS consulting will continue as a moderate contributor to fee income, and facility planning assignments will increase from a sound base. Our next big service, however, is very likely to be a melding of engineering and HRD with smatterings of GM&M and MIS to increase productivity on the sales floor. We are working on this right now, but it is a topic for a future issue of the *Observer*.

In the meantime, if you want more information about BASE PLUS, contact *Tony DeMaria* or the writer.

—*Jim Giddings*

KSA-CMC's Elected to Office

At the spring meeting of the North Carolina Chapter of the Institute of Management Consultants in Greensboro, two of the four officers elected for 1981 were from KSA. *Bob Malburg* was elected President, and *John Wilcox*, Treasurer.

The IMC is the national certifying body for the management consulting profession and provides, through its certifying program, a publicly recognized means of identifying qualified management consultants.

KSA/USA—Cont.

real terms this would have been perhaps 6% and an outstanding year. We won't achieve this, but based on performance to date and the present outlook we expect 1981 to be about even *in real terms* with 1980.

We have the services and capacity to exceed these projections. We are continuing to expand our efforts to merchandise these services more effectively, and with a few breaks in some sectors of the economy, we can hold or perhaps increase our gains over 1980 through the balance of the year.

ANNALS OF RUNNING—Part I

There are no figures to prove it, but it is quite possible that KSA has caught at least a double-dose of the running bug. Whereas 25% (supply your own number if you disagree with this one) of the total U.S. population puts on a pained look and runs an average of 20 miles a week, fully half of KSA's staff seems to be dedicated to this peculiar form of outdoor suffering (simple freezing is limited to a few winter months; dying of thirst in the desert is a one-time thing, and it's a hassle to get there.)

KSA runners take their running seriously. Just be-



cause they travel a lot doesn't stop them. Sneakers and sweat shirts are easy to pack, and lots of places are flat. Some aren't, and therein lies our story...

John Wilcox is serious about running. (So what else is new?) On a Tuesday in May, he ran around O'Hare Airport after visiting a Chicago client, then boarded a plane for the WAM Show in Los Angeles. After a long day's work in LA, *John*, *Jim Trautman*, and *Bob Langley* donned activewear and took off for a run around Chinatown, planning to end at a public shower located athwart one of Southern California's freeways.

Chinatown being larger than anticipated, the trio was running late for its 8 o'clock dinner date with the cooler heads they had left back at the bar. At 8:40 JLW spied a shortcut. "If we go down this ramp, there's a bridge that will take us right across the freeway," he said. Despite his pals' disagreement, John took off down an exit ramp which led to the freeway, not to a bridge. Rather than be hit by a car, he decided to run up the ivy-covered bank. It wasn't that far to the top, and John had always wanted to know how deep the ivy was. It was deeper than he expected.

Halfway up the slope, our dauntless runner ran (head down, eyes closed) smack into the front yard of a hermit-type who had pitched his lean-to in the ivy, where he figured he would be left alone for some peaceful meditation. The confrontation proved traumatic for the long-haired recluse. Uttering terrible oaths and imprecations in favor of squatters' rights and against invasion by clean-cut Easterners in orange running suits, the innocent meditator struck camp and lit out down the bank. John continued up the bank, somewhat chastened, but nonetheless anxious to complete his six miles before dinner.

Moral: Don't run down a freeway exit ramp unless you plan on going all the way to Santa Monica.

Greensboro Office

It was with regret that we said goodbye to *Becky Albanese* on April 24. *Becky* decided she would rather be a domestic engineer.

Geneva Joyce was welcomed on May 18. *Geneva* completed her Commercial Degree at UNC-G. She has wide and varied experience, having worked for several CPA's, and was office manager for Eastern Music Festival for many years. Her hobbies are painting and golf. *Geneva's* husband, *Bobby*, works for the American Tobacco Co.



Sympathy

Our deepest sympathy to *Eric Cantor* in the recent loss of his father.

Steve Webb

The 1970's are generally looked on as a period of turmoil, economic uncertainty, urban guerillas and the decline of Britain as a footballing nation. And on the first day of the decade KSA/UK welcomed a young man who was to have a profound effect on our practice (until we realized what was happening and took certain steps.)

Steve Webb already had a comprehensive experience of training operators in part of British Leyland... the subsequent labor relations in British Leyland are doubtless a monument to his skills. After eight months in the USA he was quickly involved in a number of operator training assignments with KSA in Scotland and Ireland and finally—the big one—England. His hard work finally gained him a number of recommendations that he be promoted to Principal... at least one from the writer of this piece who knew that another assignment of supervising Steve would probably kill both of them and promotion to Principal was the only way out. During a particularly harrowing assignment (for the supervisor, not for Steve) Janet and Steve had their first child, Vicky.



Now a family man, Steve determined to add stability to his life. His next assignment, at a trouser factory in County Durham in northeast England, was scheduled to last for eight months. Steve, by a super-human effort, completed it within two years and the Production Director unfortunately died soon after the job ended. The factory however, had the reputation of being the most productive trouser unit in Europe, and enjoyed that reputation for nearly six months, when the owners closed it due to lack of sales.

In early 1975, sometime after a second child, David, was added to the family, they moved to Iran. This adventure was justified in profit terms from one major job in Central Iran, but a number of other interesting assignments derived from it. The Iranians even at that

time displayed a distressing predisposition for not paying their bills and Steve spent much of his time attempting collections. About this time there was an assassination attempt on the writer in the Tehran Hilton when Steve bought a bottle of the local wine, called 1001. This is also the name of a famous UK brand of carpet cleaner, which actually tastes better than the Iranian wine. After this attempt, Steve was offered as the first hostage in Tehran, but as usual, KSA was ahead of its time, and he became the first returnee. He carried on commuting to Iran during the early part of 1976, working for one of the investment banks in Tehran, and also attempting to collect money. Steve's international experience was put to good use once he was back in the UK full time. At an early stage he got the closest he had ever been to actually being right... he advised DuPont to get out of Iran. Unfortunately, they didn't take his advice. The Department of Commerce Study also had the benefit of Steve's attention, and in 1980 he produced his *piece de resistance*, the EEC technology report, which has had a worldwide readership and a number of interesting spin-offs for global KSA.

The surge of interest in and the quickly developing technology of computers in the late 1970's in the UK, has given Steve another important task within KSA. In particular, government interest in the development of the microchip has given us a government sponsored entree into the systems area of many apparel and shoe industry companies. We had attempted to develop this for some years and now a combination of Steve's management and the good team which he leads have yielded positive and profitable business, and at the time of going to press is one of the more successful parts of the UK practice.

It is a combination of energy, technical awareness, and interest that has kept Steve at the forefront of KSA's business almost from his first year with us. As long as we can restrain him from buying every electronic item available (he has a plan for an electronic regional director for the UK), we can continue to have an extremely happy and stimulating relationship. We thank both Steve and Janet for their hard work and loyalty.

—Harry Lack

Bob Langley Joins Apparelcraft Associates

It is with regret that we tell you of Bob Langley's resignation to accept a senior manufacturing position with Apparelcraft Associates, Inc., Santa Ana, Calif.

Bob joined KSA in 1966 and his contributions over the years have been many. Bob's expertise, applied to his most recent assignment in Los Angeles greatly strengthened our Western Region apparel practice.

Bob and his family will surely be missed, and we wish them everything good as Bob embarks on this new career.

Second Quarter Departures

We regret to announce that the following are no longer associated with KSA: Ron Everett • Jean-Paul Frenet • Bob Langley • Blake Lowman • Chris Osborne • Mickey Zaldivar. We wish them success and happiness in their new careers.

Atlanta Office

Miriam Evans from our New York office, already known to many of you, has become Recruiting Secretary. Formerly from Alabama, Miriam decided to move back south, so Atlanta happily welcomed aboard a KSA-trained employee. She had been with KSA for three years and previously utilized her Masters in

Continued on page 10

KSA/UK

In the UK although signs of improvement in the economy are rare, our leaders are now beginning to announce that things are not getting worse as *quickly* as they were, or the *rate of decline is slowing down*. We can always rely on our leaders for encouragement and optimism.

In the real world of KSA we have continued to maintain sales at better than budget, although it is hard work. By the time this goes to press we will have closed the Windsor office in recognition of the smaller number of men working from that base and in preparation, in the longer term, for a smaller executive office in the center of London. We also plan to improve our Altrincham office facilities in the longer term as this continues to be a major center for our men and our clients. We will miss our southern base for the next few months but, hopefully, it will not be too long before we can activate our longer term office plans.

We are beginning to see some real international cooperation with *Bill King* now in the UK, working with *John Beddows* on an operator training assignment, and *Eugene McIlroy* is likely to be working on assignment in the USA until later this year. *Jeff Wood* has been undertaking some highly successful work with *Joep van Gent* in Amsterdam, and this is likely to lead to further opportunities for other UK consultants in Holland. *John Beddows* has spent time with *Alberto Figa-Beleta* on assignments in Spain and is also beginning to generate some interesting opportunities in South Africa. *Bill Reed* and *Freddie Wood* came from the U.S. for a successful two-day textile seminar and *Peter Cleaveland* delivered a well received paper at a recent NRMA conference in London. At the time of writing, *Steve Webb* is attending the U.S. systems meeting and *Douglas Hardie* plans to be in the States later this year to further add to the interchange systems developments in Europe and the States. So, all in all, we are making good use of our internationalism.

Although we, as usual, don't have too much time for personal things, *Valerie* and *Douglas Hardie* did find time to have their first child, a son. *John Haworth* was married to *Eileen*, although he had to defer the honeymoon to get the Levi report completed. To all of them we offer our congratulations and best wishes.

We look forward with cautious optimism to our next *Observer* contribution which will report not just some of our initiatives, but their results. —*Harry Lack*

German Region

The economic outlook in Germany (where we still have our main market) is not as bright as we have enjoyed in previous years. With a negative trade balance, GNP under 1%, high interest rates, increasing debts, and with government creating a feeling of uncertainty, consumers tend to save money rather than spend it on apparel.

The rate of bankruptcies in the industry is especially high which, obviously, creates an unfavorable effect on our business and make selling more difficult. Some of our assignments have been for deeply troubled clients for such services as fixed cost reductions, audits of companies new to bankruptcy and where banks are heavily engaged.

On the other hand, KSA's image continues to be the right one, especially in these difficult times when companies are looking for help from a reputable consulting company whom they can trust. As we see it,

this is another good opportunity for KSA to progress even in troublesome times.

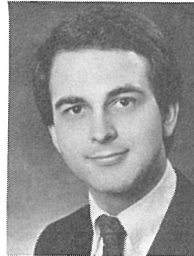
The demand on us is great and so is the challenge. This means constant development of new services or the upgrading of older ones, opening new markets or market segments, and stressing our international capacity and experience.

Sales to date are encouraging (about 145% above budget), which helps us build our backlogs. Among those sales is a major and prestigious strategy audit on the Dutch Apparel Industry for the Dutch Government, work in Eastern Europe is extending (Bulgaria, Hungary), and even in France we may get a PMS assignment. Switzerland and, increasingly, Austria appear to be good markets for KSA.

Let us hope political decisions are such that they will get the economy moving upward again and that the situation will stabilize so the industry will be not just struggling for survival, but investing in healthy and successful development again.

—*Hans-Horst Hensche*

New Staff



Fleischer



Gallman



Reig Juan

Arnulf Fleischer . . . Age 30. Wife, Monika, daughter, Stefanie. Bank apprenticeship. University of Dusseldorf and University of Duisburg, M.S. in Economy and Marketing. Joined KSA January 1, completed six-week training course in Atlanta and now supports the German team for GM&M. Hobbies: Tennis, swimming.

Kurt Gallman . . . Age 28. Single. University of Zurich, four semesters in Economy. Technical College of Moenchengladbach, qualifications in production techniques. Joined KSA January 1. Has completed six-week training course in Atlanta and is now in the U.S. on training. Upon his return he will support the German PMS team.

Francisco Reig Juan . . . Age 26. Single. Graduate of the Barcelona School of Industrial Engineering Studies in Business Administration. Experience in engineering, planning and production in a photographic film manufacturing company. He will be working with our team in Spain. Hobbies: Swimming, tennis, reading.

Departures

We wish the following, who are no longer associated with KSA, every success in their new careers: ● *Peter Bengsch* ● *Dieter Fertig* ● *Wilfried Luetteke* ● *Heinrich Spoerl*.

Atlanta Office—Cont.

Education by teaching math, science and typing in middle school. She also taught typing at a community college.

WEDDING BELLS rang out for *Julie Owen* of the accounting department May 2 when she became *Mrs. Robert Campbell* in Decatur, Ga. Julie is responsible for BI's, expense reports, consultant relocations/moves. Best wishes to our newlyweds for a happy life together.

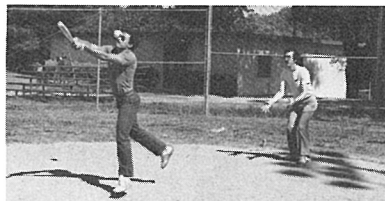
Fun and Games

Atlanta Office Picnic

May 2 was an ideal day for the annual Atlanta Office picnic, when the cool morning gave way to a warm, sunny day just made for fried chicken, cold drinks and softball. Everyone enjoyed the traditional activities of family softball and volleyball, along with lively conversation and good food. As an added treat for the hot, dusty "athletes," ice cream cones were provided.

A special thanks to *Ike Myers, Libby Morgan, Karen and Wayne Kinard, Janice Haynes, Eddie Rader, Sheridan McDonald, and Dianne Gunn* who served on the picnic committee, and to the attendees who helped make the event so successful.

Ace "firstbasewoman" **JANICE HAYNES** concentrates on putout.



CESAR MANTILLA throws everything after a high ball, while Catcher **NORT EBERLY** gets ready to pick up Cesar.

Princeton/New York Picnic/Pig Roast



This annual event was again held at RUTH and BILL WILLIAMS' horse farm in New Jersey. We don't have a head count for the number who enjoyed the genial hospitality of the Williams family, but the splendid action photo (left) of the volleyball game in progress shows about a dozen enjoying this fast-moving sport.

RUTH and BILL WILLIAMS (Ruth with her head at a 45° angle for a better look at the pig) minding the roasting while KATHY RIEPENHOFF looks on.



And then there was golf...

Price/Gibson try Tournament Golf

By—Tom Gibson

It's common knowledge that KSA engineers rarely take a day of vacation, but when two of them do, at the same time and place, and when that place happens to be a golf course... well, the results are likely to be remarkable, if not "plumb awesome."

Such was the case at the recent Member-Guest Golf Tournament at Sunset Hills Country Club in Carrollton, Ga. Having been on the Arrow Shirt Company project at Bremen, Ga., since September, I managed to wrangle my supervisor, *Butch Price* of Nashville, out of golfing retirement, to get the cobwebs off his clubs and out of his swing, and to be my partner for the event.

Butch and *Linda* and their daughter, *Lindsay* came down for a weekend of golf, partying, and quite a few surprises. Butch and I grabbed our clubs and cooler and headed for the Friday practice round. Nothing noteworthy scorewise that day: Tom (handicap 8)—78, Butch (22)—90, on a par 71 course. But between the effects of a new pair of golf shoes and the blazing sun, Butch discovered the agony of "de feet," and de

sunburned legs, arms and face.

Now to the Saturday round, a 12:30 shotgun start following a big salad and sandwich buffet. Playing way over my head, I "woke up" after 16 holes and saw that I had 13 pars and 3 birdies. Three-under with two holes to play! Well, my knees turned to jelly and I bogeyed those two holes, but still there was that one-under par 70, the best round of my life. Butch? Well, he was pretty greased up with sunscreen, but he did shave a couple of shots off our net best-ball score, and we were in at net eleven-under... good for a fourth-place tie after the first day, and the 70 was co-medalist. (At the dinner-dance Saturday night, Linda asked Jane why Butch and I were standing at the end of our table, in the middle of the room talking to most everybody coming by. Jane replied "They're milking this attention thing for all they can get!")

On Sunday, Butch's golf game really came to life, while I scrambled to a more typical 76, he settled down to carve a smooth 87; we covered each other on every hole where one of us faltered. The result for Sunday was a net 13-under, totaling 24-under for the tournament. This was good enough for second place (and its rewards!), thanks to Butch's net eagle at #18, which

Continued on page 12

Tournament Golf—Cont.

lifted us out of a tie when the cards were matched. On that hole, his educated slice from the tee had him in good position (*dry*, over the lake) on this tough finishing par four. After a not-so-good second shot to a fluffy lie in marshy rough, he lofted a pitching wedge 40 yards to a narrow, elevated green. A flyer, I thought, probably'll roll to the parking lot! Then, WHAP, it nearly shattered the pin, stopping two and a half feet above the hole! The gallery went wild, and I nearly fell off the cart. He tanked what was not easy putt, and we sailed in easily from there.

Topping off a great day, my 70-76 was good for 2nd medalist (and a nice cash prize) out of 116 entrants. My father summed it up well by saying, "Not bad at all for a couple of guys who make their living doing something else besides playing golf." Maybe "remarkable" is more like it, if not "plumb awesome."

And more golf. . .

KSA Golf Challenge

Contrary to the comments in the September 1980 edition of the *Observer*, the UK Golf Challenge was in fact successfully completed during 1980.

One interesting feature of the competition was a rule designed to prevent the more junior members of the company from attempting to enhance their career prospects by losing to their superiors.

This local rule was laid down by the KSA Golf Committee, and subsequently ratified by the "Royal and Ancient Club" at St. Andrews, Scotland. The rule stated that:

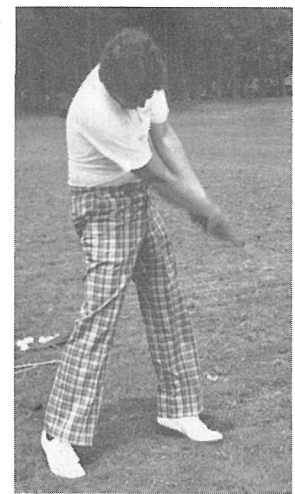
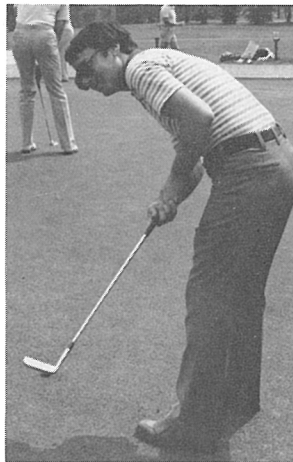
Any consultant losing to a consultant of higher rank in suspicious circumstances within four weeks of an impending career/salary review shall be automatically disqualified.

This rule obviously did the trick because *Stuart Hollander*, *Harry Lack* and *John Beddows* all failed to qualify from their regional groups! They, or course, will naturally claim that pressure of work did not allow them to practice enough. There were, however, dark mutterings from John about playing the last nine holes in Northern Ireland, not only on a strange course, but in the dark and against the local leprechauns. Stuart claimed that his loss to Harry must have been caused by similar outside agencies, while *Steve Webb* is still trying to work out how *Arthur Marshall's* handicap was calculated. (Perhaps they used a micro-computer, Steve.) *Douglas Hardie* has been known to cast similar aspersions on the writer's handicap, even though he himself has been seen playing 430-yard, four-par



Geoff Ayling, Rod Gunston, Mervyn Kerr, Arthur Marshall

TOM discovered plenty of power in his Ping irons.



BUTCH's putter was hot on Sunday.

holes with a drive and a nine iron.

In spite of all this ill-natured banter, *Geoff Ayling*, *Rod Gunston*, *Mervyn Kerr* and *Arthur Marshall* duly qualified for the finals, held in conjunction with the Harrogate Sewing Machinery Exhibition and on one of the premier English courses. It was a typical autumn day in England, marked only by brass monkeys cowering near any available source of warmth, a gale force wind and the temperature a very bracing 32° F.

The early part of the round was characterized by a strange reluctance to use the fairways (except for Mervyn Kerr.) However, by the time we got to the sixth hole we finally got our swings together and all hit long, straight drives down the middle, only to be informed by a polite Yorkshire lady, that we had just driven down the 16th fairway and that the sixth was in the opposite direction!

With cavalier disregard for four lost balls, three of us voted to leave them and go on to the sixth. This was too much for Arthur Marshall's tidy accounting nature, and so with no respect for age, we let him retrieve all four balls while we rested on a conveniently placed seat.

After nine holes, Mervyn Kerr looked unstoppable, Geoff Ayling looked uncomfortable, while Rod Gunston's and Arthur Marshall's cards looked remarkable. However, on the second nine, Geoff recovered well, but not sufficiently to erase the trauma of the first half. . . we understand that he has since gone on the American tour in an attempt to improve his game. Mervyn started disappearing unaccountably into the woods, Arthur began to tire from his earlier exertions retrieving our drives at the 16th, while Rod managed to hit a good streak. In the end, the 18th hole was the decider, and amid mutterings about the organizer winning his own event, Rod claimed the first prize of champagne which was kindly donated by Harry Lack, while Mervyn Kerr collected the runner-up's six pack of Guinness, donated by John Beddows.

The 1981 competition will hopefully be played on a Saturday in June. Any KSA colleague from the USA or any other region in the UK at that time is invited to play. . . if he can stand the gamesmanship.

(Editor's note: Regretfully, this article—submitted by Rod Gunston—was not received in time for inclusion in the last issue. Because of this, USA golfers could not accept Rod's challenge. . . perhaps another time.)