

Slimma-Wales, Ltd.

The Land of Llangrannog . . .

By—Bob King

You may not get to Llangrannog this year . . . in fact, you may not get there at all, and that's too bad because you will miss an outstanding place. We lived there for three months and loved it.

Llangrannog is on the southwest coast of Wales in the United Kingdom. We always thought that put it on the same longitude as New York. Wrong! It's on the same longitude as Hudson Bay in northern Canada.

Llangrannog isn't in the land of the midnight sun, but it isn't far away. At our extreme longitude we had daylight from 4:30 a.m. until 10:30 p.m. in midsummer. Sean (five) and Ryan (two) simply couldn't understand why they had to go to bed when plenty of light was left for play. However, things could have been worse. In midwinter the hours of daylight drop from 8:30 a.m. to 4:00 p.m. It sounds depressing to spend all of one's free time in the dark . . . some people claim I already spend the work day that way!

On a very hot summer day the temperature can climb to a staggering 70 degrees, although it happens rarely. During our stay the temperature often registered between 50 and 60 degrees, so we wore sweaters and jackets constantly. It was amazing to find the Welsh wearing short-sleeved shirts and complaining about the heat. My feet get especially cold and I can remember many days when they literally ached because a profusely sweating Welshman opened the windows when the temperature reached a terribly uncomfortable 55 degrees.

Llangrannog is well located. A traveler would find the Atlantic Ocean only a mile to the West, and Ireland 90 miles across the ocean. Radio reception from Dublin was excellent, so we were often tuned to it. To the North is a village called *Plwmp* (Plump). Plwmp has a petrol (gas) station—of a sort—the likes of which you will never see in America. It has two pumps immediately at the edge of a two-lane highway, so customers stop their cars in the road, blocking one lane, to “fill'er up.” The station presides over a gentle curve, so the combination of two-way traffic, a blind curve, cars parked in the highway and loose gas hoses is downright frightening. Aside from the petrol station, Plwmp is a nice place. We often drove through town and asked each other, “Is the Plwmp mayor in?” or “How is the Plwmp police chief?” . . . we can be terribly clever.

To the east is Brynhoffnant, home of one of our local pubs. Pubs are great fun. We expected them to be rather bawdy saloons, but found instead high-class, public clubhouses. In Wales virtually everyone is related so the clientele seemed to know each other. They usually came to “have a pint”—more like four or five—of bitter, and play darts or talk of great rugby victories.

The dart players are astounding. They can consis-

tently place three darts within a square inch, total their score and subtract it from the overall total in the time it took me to see where the first one landed. I was often embarrassed by muddy dairy farmers who could “out calculate the engineer” . . . much to their pleasure.

Our other local pub was the Pentre Arms, about 100 feet from the ocean where we enjoyed relaxing as the boys played on the beach. Many evenings ended while watching the sunset over the Atlantic, followed by Sean asking if the fire went out, as the sun sank into the water.

To the south is Cardigan, named after Lord Cardigan who designed the sweater of the same name. He is reputed to have been boosting the morale of his soldiers in the Crimean War with the words, “Don't worry men. They couldn't hit the broad side of . . .” when an enemy sniper shot and killed him. The most interesting area in Cardigan is the square in front of the courthouse. Most courthouses have pigeons, park benches and rummies . . . our proximity to the sea gave us seagulls instead of pigeons. A very old cannon stands permanent guard over nearby Woolworth's, who has done almost nothing to deserve it. The locals claim the cannon was last used in the “Charge of the Light Brigade,” which is about the vintage of both the cannon and the rummies.

A little farther south is the village of Eglwysrwr (please let me know if you figure that one out.) Wales is a country whose people have simple names like Jones, James, Davies, Richards, etc., so it's a mystery that they could live in Eglwysrwr.

Wales is an agricultural area inhabited by friendly, rural people who are very inquisitive. Everywhere we went they stared at us quite openly, which frustrated our attempts to stare at them quite openly. Apparently, their ancestors didn't like to be stared at because they surrounded their farms with walls seven feet high. The bottom half of each wall is dirt and stone overgrown with grass, while the top half is a continuous row of thick, thorny bushes. We were unable to find anyone who knew the age of the walls, but they clearly preceded the automobile.

The space between walls is typically only eight feet wide, about the width of a horse path. Since the walls are part of time-honored Welsh history, they are simply not torn down or relocated. Instead, the horse paths have been gradually improved until the present when they became two-way streets eight feet wide. Driving on these twisting country lanes is exciting when alone, dangerous with oncoming cars, and frightening with oncoming buses. It is entirely common for approaching cars to skid to a stop and for one to wait in place

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Chairman's Corner

KSA Mid-year—A Few Reflections

This is written at the end of the summer vacation period and will be read when most of you have had your time off. I hope all of you had glorious vacations and that you are now well rested.

This seems to be a good time for a few reflections on the first six months, and to think about where we are headed.

KSA has had a rather tough first half of the year. In the USA sales weakened early in the year and have hovered around 90% of budget. We lived off backlogs through several months but in the seventh period our fee income suffered a significant drop. As *Jack Ullman* will comment in more detail, I will say no more here.

In Europe we made quite a turnaround from the low point of last year. Sales in Germany, the UK and Spain are well above budget, we have turned the profit corner in recent periods, and are in the black for the year as a whole. The turnaround was accomplished under adverse conditions in the UK, but Germany, too, has a sluggish economy. We congratulate all of our European colleagues on the fine job they have done in turning around a situation that looked a bit grim one year ago.

The strengthening of the US dollar vis-a-vis most other currencies has led to exchange losses on the order of \$90,000 for the year. If US interest rates come down, this will reverse but, for now, we have a significant balance sheet loss on this account.

It is clear that for KSA as a whole the last four months of this year will be critical to our performance. In the US and Europe we must do our very best to hang on to profits made so far and maximize performance for the remainder of the year. There is some indication the rate of new business is turning up again in the US, but we need to aggressively go after new business wherever opportunity exists. Particularly, we need to maximize our individual and collective billing for the rest of the year in every part of our practice. It now appears we cannot count on any real upturn in the economies of Western Europe, the US and Canada before 1982. We must continue to generate business through our own initiative and cannot expect the phone to ring often enough.

We continue to enjoy an increasingly higher profile in industry with KSA's name frequently mentioned in both the national business press and the trade press. This is a tribute to the strength and relevance of our practice and a tribute to PR. For understandable historical reasons, our real capability as a full service management consulting firm has run way ahead of the industries' perception of KSA. Recently, two representatives for the trade press expressed surprise at the extent we do manufacturing consulting, as their only direct knowledge of KSA had been primarily in conjunction with MSD services. So the industries' image may slowly catch up with the reality of KSA as a full service firm. We shall take care not to let the pendulum swing

too far as it is a balanced image we seek.

We have communicated the results of the marketing segment of the strategy audit under way in the US. We will now move on with a look at our organization to see if changes can facilitate effective implementation of the marketing strategy. It will be a couple of months or so before we are far enough along to finalize anything.

In Europe we kicked off the marketing review in mid-July. We had delayed this so we could concentrate on the operating problems that faced us all through last year.

The strategy audit is a healthy exercise that helps us all look with fresh eyes on our practice and our opportunities.

As we slug our way through 1981 we look forward to more vigorous economies in most of our markets in 1982. All the while we must continue the process of strengthening and updating our practice in tune with the needs of our markets. Management consulting continues to be a profession of change and challenge and we would not want it any other way. —SAK

Cecil Phillips Elected IMC-Atlanta President

Yet another member of KSA became President of a chapter of IMC. *Cecil Phillips* recently assumed that position at the Atlanta Regional Chapter where his skills as an IMC member had been recognized. We feel sure the chapter will avail itself of his leadership abilities for as long as possible. Also as KSA's V.P. in charge of personnel, Cecil will be in a position to extol the advantages of IMC membership to newly recruited KSA'ers.

Congratulations

Weddings

Jeff Palmer and *Marie Tillotson* were married August 17, followed closely by new KSA'er, *Lee Griffith* and *Karla Sturm*, August 29. Our sincere wishes to both couples for an abundance of happiness.

Births

Diane and *Todd Barr* welcomed baby daughter, *Lindsay Caitlin* July 26; and *Michael Kenneth Rogers*, son of *Ginny* and *Doug*, was born August 29. Good luck and happiness with your little ones.

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

The Offer—Not long after the Big Jack assignment, we won Blue Ridge Manufacturing Company as a client, and after considerable work for the company, Carroll Rosenbloom offered me the position of President of this multi-plant organization. It was a flattering offer and at a figure in excess of what I was netting out of our small practice at the time. I like my independence, however, and turned down the offer as gracefully as possible.

Several months later, I found myself with Carroll once more at Baltimore and he informed me that he had secured a former Montgomery Ward buyer for the job he had offered me. I said, "That's wonderful, Carroll, and really much to your advantage as compared to my taking the job." "How's that?" he inquired. "Well, I look at it this way. What that fellow can offer you by way of retail merchandising experience, I haven't got, and what he does *not* know about manufacturing and engineering, you can still buy from me!" Carroll took it quite well.

Carroll's president retired after a few years and was followed by another ex-chainstore buyer. Eventually, Carroll decided owning professional football teams—Colts and Rams—was more fun and sold his enterprise to Northwest Industries.

Mitch's Training—Our client, Williamson-Dickie of Fort Worth, Texas, had spotted a bright, peppy young man, Mitch Allee, in their shipping department and wisely made him a salesman. He had advanced nicely in the sales department, when the war-caused shortages created a situation where you did not have to sell, if you had the goods. Instead, you needed to use salesmanship on your suppliers to obtain enough raw materials.

So, Col. Dickie, a fine old gentleman, took Mitch to New York with him to teach him to switch over his persuasive skills to the buying function. They were in some mill-owner's office, being shown an available fabric. Mitch fingered it and said: "That's a pretty nice piece of cloth, what do you get for this, about 40¢?" "Yes," responded the mill representative. Back at their hotel, the Colonel sat Mitch down and said: "Now let me tell you something, young man, the first lesson you've got to learn, if you are going to become a buyer, is that you don't quote the seller's price for him!"

Mitch loved to tell that story on himself and I think it's worth retelling here.

The Dress Shirt Collar—Colonel Dickie figured prominently in an incident which occurred at the Tulane Shirt Company of New Orleans, La., whose President was a real extrovert named Harry Bonck. (Both of these gentlemen are now deceased.)

Harry's Tulane shirts were generally acknowledged to have the best looking collars of all Southern-made workshirts.

We had engineered his factory and discovered his secret...they were making dress shirt collars and attaching them to their work shirts.

One day Col. Dickie arrived along with a retinue of manufacturing and engineering people from his plant. He was visiting as a "friendly competitor" but announced blandly that, while he and Harry were visiting in Harry's office, "his guys" were really going to get the

low-down on that Tulane collar during their factory tour!

Harry told me the story in great, good humor when I visited there shortly thereafter. I remonstrated with him and said: "Look, Harry, you folks spent a lot of time developing your collars and then you spent more money recently having us engineer the procedures. Why should you be so willing to give all of this knowhow away to a competitor like Williamson-Dickie, whose collar quality does not compare with yours?" For the simple reason, Kurt" Harry responded, "that, as you and I both know, there is no way in the world that Dickie—or anyone else for that matter—is going to be able to copy the quality of our collars without spending the extra money we have elected to spend on them...and I know damn well that they're too stingy to do it. Ha, ha, ha!"

I don't know that he had divined the correct reason, but it turned out that he was right. Neither the Colonel's company nor any other adopted Harry's collar-making methods and their collars remained the best for years thereafter.

Birth of the Systems Division—We were busily engaged engineering the two huge Big Jack Manufacturing plants at Bristol, Va./Tenn., with their 1100 employees, when our client engaged a generalist consulting firm to install a standard cost system.

After a few weeks on the job, they made a neatly reasoned pitch: "In order for standards to be realistic, their firm should be permitted to get into the plants, check out the existing situation and establish more correct standards, where indicated."

We did not have much difficulty convincing our client that he was already paying us, as specialists, to do that very thing and that we could furnish them all the standards they needed for purposes of designing their standard cost system.

The incident set us to thinking, however. If this was the way systems consultants insinuated themselves onto the factory floor, we had better start a systems practice of our own.

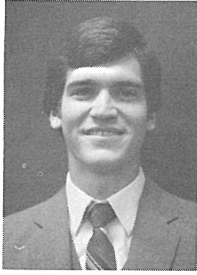
I consulted *Ralph Ross*, who remembered that he had a rather well-informed accounting professor at Northwestern, named *Cecil Gillespie*, who was currently engaged in bringing the Navy's accounting system into the 20th century. I ran down Professor Gillespie in Washington, had lunch with him, described our problem/opportunity and asked him whether he knew anyone who could head and build up such a practice. He asked several questions and then surprised me by stating: "It will take me a few more months to wind up the Navy work, but if you can wait that long, I'd be interested myself."

That was the start of our Systems Division...back in 1951.

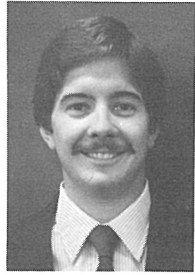
Year At The Coast . . . 1983

Arrangements have been made for KSA's next staff meeting to be held at Amelia Island Plantation, a fine coastal resort near Jacksonville, Florida. In keeping with our schedule of staff meetings about every third year, the next meeting is planned for May 27-30, 1983 . . . Memorial Day weekend. As before, spouses will be invited. If you have a 1983 calendar, mark it now.

New Staff



Graham



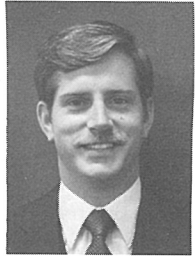
Griffith



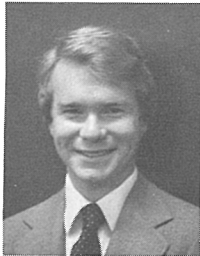
Kates



McClure



Wall



Whitson

Dale A. Graham . . . Age 23. Wife, *Sherrie*. BSIE, Purdue University. Interests: Camping, reading, sports.

E. Leander Griffith, III (Lee) . . . Age 24. Wife, *Karla*. BA in Math, University of Michigan; MS, Operations Research, Georgia Tech. Interests: Sailing, swimming, reading.

Linda M. Kates . . . Age 34. Single. MS in Education, University of Pennsylvania; MBA, Wharton. Six years' retail experience. Most recently group manager with Bambergers. Linda to be based at NYO working in GM&M. Interests: Needlecraft, racquetball, jogging, reading, ballet and theatre.

Lesley A. McClure . . . Age 21. Single. BSIM, Georgia Tech. Interests: Tennis, snow and water skiing.

Marc D. Wall . . . Age 29. Wife, *Dorie*. Two children. BA in Psychology, Millersville State College; MBA, University of West Florida. Six years in U.S. Navy, Lieutenant. Marc based in Atlanta working in GM&M. Interests: Piano and writing music, tennis, racquetball, snow skiing.

Craig T. Whitson . . . Age 25. Single. BS in business; MBA, University of Alabama. Interests: Sailing, tennis, racquetball, music, travel.

Land of Llangrannog—Cont.

while the other backs up to a wide spot in the road so the first can pass. Buses are a little more tricky, often requiring a car to back up several hundred yards before a suitable passing spot can be found. You can imagine what an exciting process all this is shortly after the pubs close.

As friendly as the people are, they all seem to know the rules of etiquette and don't like having them broken. *Sharon*, *John Beddows* and I were enjoying supper in the Cliff Hotel . . . so named for its perch 100 feet above the edge of the Atlantic Ocean. The view through the large restaurant windows is a beautiful panorama of blue sea and green rolling hills dotted with sheep. On this particular evening, a Royal Navy ship floated at anchor in the bay. We were chatting about a variety of things so, inevitably, conversation turned to the ship and we all looked across a nearby table, out to sea. It was a graceful ship, small and smartly dressed out in battleship gray. As the conversation drifted on, I found myself fascinated by the ship's many details. We were close enough to see rigging, radar, lifeboats, and much, much more, so I began to study it in earnest. There was no sign of activity on board, but she was pointed purposefully out to sea as if to sail with the tide.

I had just begun to study the signal flags when my attention snapped abruptly back into the restaurant. I had been staring so intently at the ship that I hadn't noticed a lady in the same line-of-sight and only 10 feet away, who was now scowling back at me. She evidently thought I was exceptionally rude for studying her in such detail and was trying to tell me so. Thinking quickly, I grinned at her, hoping that would show the innocence of my intentions. Unfortunately, it had the opposite effect. She looked completely disgusted by my actions. No doubt she thought I was a pretty racy character to stare so lovingly in her direction while

Sharon sat only inches away from me.

Our apartment had an unusual system for providing electric power. Mounted on the living room wall was a black box the size of a loaf of bread. The box was sort of a combined parking/power meter. When we inserted a five pence coin into a thin slot and turned a knob it gave us a unit of electric power. Apparently, the black box system was fairly common in Wales because the banks carried special bags of five pence coins for them. Perhaps the boxes are common because they are so precise. On several evenings *Sharon* and I sat relaxed in front of the heater and television when the money ran out and we were plunged into total darkness. The sudden blackouts always caught us by surprise and we would stumble through the dark, tripping over chairs, trying to find coins of a vaguely familiar size and put them into a tiny slot in the black box. The situation seemed so idiotic that I often consoled myself with unkind thoughts toward *Thomas Edison*, whom I blamed for its invention.

Our apartment sat between our landlord's home on the left and his parent's home on the right. *Ryan* took an immediate liking to the parents and called them *Grandpa* and *Grandma*, and they loved it. He enjoyed their company so much, he was a constant visitor to the point that it was often embarrassing to us. One morning we awoke to find *Ryan's* bed empty. Like most parents of two-year-olds, our first reaction was panic. We searched the house frantically and found he wasn't there. Fearing the worst, we began to look outside . . . I, to the left, *Sharon*, to the right. It was early morning so we called softly, as we searched the dew ridden gardens, when suddenly, *Sharon* was answered. *Grandpa* chuckled from inside his home as he said, "He's in here." We listened with mixed relief and embarrassment as he explained that *Ryan*, wet diapers and all, had opened their door, found their bedroom and



THIS IS GREAT! DRIVING IN ENGLAND ON THE WRONG SIDE OF THE ROAD IS EASY.



THE PART I LIKE BEST IS..... SHARON ??.... SHARON !!?

crawled into bed with them. I must say we were quite relieved to find they enjoyed it. There weren't many dull moments in Llangrannog.

The project was challenging. Slimma-Wales Limited manufactures top quality blue jeans with the new stretch denim fabric. They wanted KSA's AAMT skills training programs in the Cardigan and Fishguard plants. I have often thought our most difficult clients were those who claimed to support our efforts, but seemed in practice to almost work against us... not intentionally, of course, but through continued adherence to a production management style they learned as junior-level supervisors. Since they are convinced they support our efforts so well, they usually aren't open to change. Unfortunately, Slimma was one of those so we had our work cut out for us.

For starters, we wouldn't have to trouble ourselves with selecting instructors. The client had already done so. The Cardigan plant had three trainers: two were okay but one "hasn't worked out anywhere else, so we put her in training." The Fishguard plant had five supervisors, each with responsibility for production, quality control and training for her 11 operators. KSA's philosophy toward training requires top calibre people assigned full-time to their instructor duties... so both programs were in trouble.

Only a very short time passed before we realized Gwen, the Cardigan instructor who hadn't worked out elsewhere wouldn't work out in training either. Initially, she hated the job and showed it in every way possible, but just as management prepared to move her to quality control, she decided she liked training. Gwen eventually moved, with much protest, and I resolved to find a really good replacement.

Our selection method involved a shapes/logic test, a simple math test and an interview. I was interviewing the seventh applicant, who looked quite promising when the door burst open and Olive, the supervisor

from Quality Control, said, "I'm sorry, but I have an incoming call and all the other phones are busy." Without waiting for a reply she picked up the phone and began, "Gwen, where are you? ... Well, what are you doing at home? ... No, you don't want to quit. These things happen to all of us, but we go on from day to day. ... Well, don't let it upset you so. Why don't you take today and tomorrow off and then come in and see me, okay? ... No, don't quit. At least come in and see me first, Okay?"

As Olive completed the call I could feel myself sinking lower and lower into my chair. The applicant and I both knew Gwen's situation and it certainly put our discussion in a new light. The rest of the interview seemed to take a very long time.

We eventually picked a third instructor for Cardigan and changed the organization structure in Fishguard to give a full-time training staff. As the next few weeks passed, both programs made good progress and we even had a graduate before returning to the U.S. Implementation ran from May through August, so I asked for a day off to celebrate the Great American Independence Day on July 4 and was granted Saturday. However, we received a holiday for July 29 for the Royal Wedding, so all is well.

Derek, the Chief Executive, had questioned every step during implementation of the program and often doubled my workload as a result. Just before we left he told me, "I like what you've done here. I think you are enough of an expert that I'll take your word for things from now on." I think the gnashing sounds my teeth made almost drowned him out as I thought how much easier the project would have been, had he done that at the beginning, rather than the end.

All good things must come to an end (you may quote me), as did our stay in Wales. Before returning to the USA, we visited Belgium, Luxembourg, Germany, Austria, Lichtenstein, Switzerland, France, Northern Ireland, Southern Ireland, England and, of course, Wales. At one point in our travels we had six different nationalities of currency in our pockets and couldn't buy lunch because we didn't have the local kind.

One of the many high points in our travels was King Ludwig II's Neuschwanstein Castle in Bavaria, West Germany. We were told it was the inspiration for Walt Disney's Fantasyland Castle. If the Atlanta office should ever move, may we suggest...



We truly enjoyed Llangrannog and will always treasure memories of Great Britain, but what a thrill it was to return to the USA after three and a half months. It's good to be home. Thanks, KSA.

KSA/USA

By—Jack Ullman

Taking Stock in KSA—Vacation is a good time to gain perspective; to sit back free from the day-to-day pressures and reflect on conditions as they really are. I tried to do that during a couple of weeks vacation and would like to share some thoughts with you.

1981 Performance—There can no longer be any question that the recessionary pressures in the U.S. economy have hit us full force. In the last *Observer* we projected that we would be about even with 1980 in real terms. While we are still ahead 8% in current dollars after eight periods, sales continue substantially below requirements in most markets. Billings have exceeded sales with resultant shrinkage in backlogs and excessive open time.

Nevertheless, with the prospects at hand, the efforts under way, and the normal seasonal pickup in September/October, we hold to our projection that 1981 can be about even with 1980 in real terms . . . *but only if we take aggressive selling initiatives in every market and every function.*

Consider the Past—KSA began in the depths of the depression. It took 15 years, a lot of sweat, and the end of World War II to reach a half million dollars by 1950 (about \$1.8 million in current terms.) During the booming 50's and 60's KSA rode the crest of the boom, growing and prospering at a steady pace for nearly 20 years.

Growth began leveling in 1968, and in the 1970-71 and 1974-75 recessions KSA suffered severe setbacks. Our financial resources were strained, we were forced to cut back our staff, and operating profits were very close to zero. Morale and confidence in KSA's future fell sharply—or so we thought—until an attitude survey taken in 1977 showed that confidence and morale had quickly returned to normal or, may never have fallen to the levels we had perceived.

Once again, there are those who are concerned about KSA's future. This is understandable. Turnover has been higher than normal this year, and we've lost some strong contributors. We have been unable to develop adequate volume, and we've suffered a good deal of open time. KSA people thrive on being not only busy, but "stretched." When they're not, they worry.

KSA's performance is overshadowed by a U.S. economy too long in a period of economic erosion, with high inflation, low productivity and declining quality of life.

It's easy to lose one's perspective and build a scenario of gloom and doom, but it's not very constructive and it's the wrong perspective. IT'S WRONG BECAUSE KSA IS PERHAPS IN THE STRONGEST POSITION TO GROW AND PROSPER THAN AT ANY TIME IN ALMOST 15 YEARS.

The Future in Perspective—The strategy audit conclusions set forth a strong scenario for the future with modest growth targets for the next five years. The strength of this position is a direct result of the investments made over the last 10 years. Investments in:

- *Recruiting outstanding personnel*
- Developing new markets
- *Developing new services*
- Developing a balanced, full service practice with MMD and MSD reaching approximately equal levels of contribution.

Ten years ago 70% of KSA's resources lay in what we now call MMD. These services had been growing rapidly and were extraordinarily profitable. A great many key people—much of that profitable resource base—were "transferred" to build a strong and viable MSD service group and to supply the talent for developing not only our new industry markets, but managing a changing apparel and textile market as well.

This drain on MMD resources necessary for KSA's future contributed to reduced growth and even some erosion in MMD volume. This is essentially behind us now, and those who question whether or not MMD services will expand need only reflect on the enormous emphasis being placed on productivity in American manufacturing and service industries and consider KSA's unique capabilities to respond to these opportunities in our chosen markets. The integrated service concept set forth in the strategy audit will greatly enhance the growth potential for *all parts* of KSA's practice.

KSA's growth rate for 1970-75 was under 1%, as we invested in the future and absorbed the effects of two severe recessions. 1976-80 showed modest improvement with a real growth rate of 3.3% as we continued to invest. The strategy audit targets 5.9% for 1981-85. To average this, we will be at or close to our 10% objective by 1985.

We're positioned for growth well beyond the 80's. Expansion in additional consumer product markets will be supplemented by meaningful growth in our newer business units . . . health, hospitality, mining services, and perhaps others by the 90's.

We should again stress the major investments for the future were made in the 70's. Future investments can be made out of a growing, profitable, well-balanced practice. The current organization work will lead to a restructuring of KSA as the first step in implementing the strategy recommendations.

We have the commitment, the human resources, and we are financially sound with comfortable cash reserves, after successfully retiring all of the obligations related to the KKS and KS stock purchases over the last several years.

Cathy Deadwyler Atlanta Office Manager

On August 17 *Cathy Deadwyler* assumed the position of Office Manager in Atlanta. She holds a BBA from the University of Georgia.

Cathy has been with KSA for approximately three years serving as administrative assistant to the MMD manager and several MMD principals. In this position she became a skillful administrator and demonstrated leadership ability. With everyone's cooperation and support, she will develop further in her new job and thereby help us continue to improve our operations.

Our thanks to *Linda Broadrick* who did an outstanding job as acting office manager for a month and who will help train Cathy.



J. Don Johnson

First, a confession: What follows concerning one *Joseph Donald Johnson*, Vice President of KSA and resident of Dallas, Texas, is written with a clear head, poor handwriting, and a totally biased manner. Objectivity and good penmanship have their places, to be sure, but when it comes to matters of the heart you simply can't beat sloppy writing and good old subjectivity. What it means, friend, is this writer happens to be quite fond of his subject . . . and has been for nigh on to 30 years.

It was back about 1950 when young Don Johnson, out of Dothan in the Wiregrass section of south Alabama, arrived on campus at Alabama Polytechnic Institute. In addition to the usual activities, he also played a melodious baritone horn in the Auburn band, misrouted Post Office mail (part time), became a student leader and was president of his fraternity and of the student body. Speaking of student bodies, it is an unmitigated fact that this young man was quite popular with the coeds. Don knows that; the Lord knows that; and now his wife *Lanie*, knows that! On a campus where there were seven males to every female, Don seemed to reverse the ratio and have more dates than his pro rata share. (Did it say somewhere above that the writer liked this man? Well, to be perfectly honest, I hated him for that and his handsome physiognomy.)

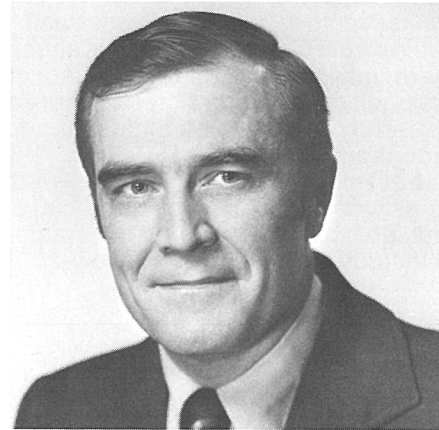
Moreover, while a majority of all able-bodied males was parading around a drill field as advanced ROTC cadets, Don chose higher pursuits . . . like having mid-day dates with campus beauties at the local coffee house. One might have thought justice had been served when he was drafted into the Army as a lowly buck private, but darned if he didn't wangle a position with the Army Security Agency doing cloak-and-dagger stuff, and getting to wear civilian clothing! Uniformed Second Lieutenants could hate him for that too.

How did JDJ come to join KSA back in 1956? Very simple. On leave one day, he drove through McRae, Georgia, visited a trainee engineer at Roydon Wear, got the name and address of Miss Abbie Jean Quick, applied to KSA and was hired. Very simple. Sometime later, while back at Roydon Wear, Don met and married *Elaine Ryals*. That was pretty smart—although not quite so simple—to land a lithesome lass home after doing stewardess time with “The Wings of Man.”

Don's finding both a career with KSA *and* a wife while passing through McRae just goes to prove one can get something else in South Georgia other than boiled peanuts and chiggers.

- Don became a Principal in 1963 and moved to Dallas in 1970 as our district manager. He has served on KSA's Steering Committee and was elevated to Vice President in January 1973.

- Although responsible for at least 20 client accounts and involved in project management work for others, he has handled four key clients for 10 years or longer.



Those accounts have aggregate fees in excess of \$1 million in the last five years and *double* that amount over the last 10 years.

- Don has the distinction of having more 3-hour telephone calls *after midnight* than the rest of KSA combined . . . client identity to remain anonymous.

Many may not realize it but . . . as they say . . . that boy goes way back: to the initial, original, and absolutely first Atlanta office at 1430 Peachtree. Back then, young feller, there were only four KSA consultants based in Atlanta. That's right: *one* secretary, *four* desks, and *three* offices. Yessir, he was there when the Atlanta “shared office concept” or scourge was born. But we digress and should get back to the subject . . .

You may ask, “What kind of a person is Don Johnson?” Well, it's been established that he's right handsome. Too, he's the kind of clothesman who wears pleated pants when he doesn't even have a bulging waistline; doesn't show age; has all his mane and without any gray hair in there either. (Yeah, and he's the type we suspect uses the same brand of hair conditioner as Mr. Reagan.) He's absolutely honest and not given to hyperbole; the kind of friend you need when troubles are knee-deep.

Don's the kind of father to be envied . . . having three of the most mannerly children one could ever know. Together with Lanie, the Johnsons would be the kind of guardian parents you would want to raise your minor children should you and your spouse suddenly leave this earth simultaneously.

While at work, Don demonstrates *Kurt's* principles of applying his knowledge with tact, humility, perseverance, and thoroughness.

In short, Don Johnson is the type person that only a few outstanding groups of people—such as KSA—*deserve* to have in their midst, and someone you could—quite possibly—get to know and love as I do.

—JAJ

Around the Company

Training and Professional Development

The summer class of '81 was completed in August and sent on its way: *Lee Griffith* to further training in MIS; *Linda Kates* and *Marc Wall* to GM&M assignments; *Dale Graham*, *Lesley McClure* and *Craig Whitson* to MMD training assignments; and *Pat Pittard* back to recruiting in order to fill our October class.

Ken Walker came in between classes and, with a few days' training from *Charles Topping*, is already on a PD assignment until time to join the January class.

Professional development has centered more around self-study than seminars thus far and will continue throughout the year.

Please be reminded that we have self-study material available as well as technical papers. You may call or write *Linda Keel* or me if you want to participate. Some of the self-study courses are as follows:

KSD
Standard Cost
ROI
Cutting Room
Survey Problems
Annual Report Analysis
Financial Analysis
Introduction to Men's Clothing

—*Bill Cameron*

German Region

Halfway through 1981, we now realize the good signs at the beginning of the year were true . . . so far.

Year-to-date figures through P-7 show sales at 124% and fee income at 104% of budget. P-6 P&L for the region also shows a nice profit above budget. Both PMS and GMS divisions have done very well. For the first time after many years GMS is now head on with PMS in budget figures. Also, the Retail Division is developing well with a growing number of clients. Looking ahead four more periods, there are good reasons to believe we might even beat budget at year end.

Altogether this indicates that the many unpopular decisions and actions taken (restructuring professional staff, cutting overhead, etc.) are beginning to show positive effects. We are not yet finished, and a lot remains to be done, but are confident we have turned the boat around.

As for the general economy, we are still in a recession period, although not as heavy as previous ones. The stronger dollar is helping exports, which affects the fashion industries negatively as they cannot increase exports fast enough (seasonal pattern) and have to buy energy and material at a higher price (dollar basis.)

Although—should one say “even?”—industry is under extreme pressure, we do not see a major effect on our business. Companies need help desperately, and as long as KSA is able to provide competent support, we will fill our orderbook.

We face stronger competition in several areas than previously, but there is no reason to be concerned. As in the past, KSA will continue to use USP's (Unusual Sales Propositions), which will keep us ahead. All in all, we have a somewhat encouraging picture for now as well as for the future.

In fall, we will begin the strategy audits for the UK and German regions, which will be finished probably in February. The results of the U.S. strategy audit, presented to the European Managers in July, were very impressive as well as the methodology used. We decided to adopt procedures and outlines from there.

It will be very interesting to compare the results here with what has been found in the U.S.

—*Hans Horst Hensche*

UK Region

The economic situation in the UK continues to have a major impact on many clients. The Chancellor of the Exchequer announced the end of the recession—possibly because the Prime Minister told him to—but they have little credibility in the business world at large, and there are plenty of dissenting voices being raised within government itself. With our leaders in such public disagreement, it is difficult to be positive about the economic outlook, if we accept that recovery from the recession is in their hands.

Having reduced our capacity at the beginning of the year, and cut back on overhead, we seem to have our business in UK in reasonable shape. At the end of P-7, sales were 96% of budget and income 97% of budget. With what we see in the pipe-line, the sales index should go up to 100% by P-9, but backlogs are still too small for comfort. The last three periods (P-5—P-7) have been profitable, and with the financial benefits of closing the Windsor office now coming into the P&L, the maintenance of activity at present levels will yield a modest profit for the year.

The bright spot in our business continues to be in Systems, where the micro-computer packages for shop-floor applications in payroll ticket printing and loading are proving a door-opener to sell bigger projects. A recent example is a £20,000 sale to develop stock control procedures for a fabric converter in the Readson Group.

Alan Braithwaite and *Peter Alderslade* have started a manufacturing audit for Scholl, our first fee-earning work in the shoe industry. *Jack Johnson* and *Geoffrey Gibson* are providing some USA expertise on the project.

An exciting prospect is the interest being shown by Carrington Viyella Garments in sourcing. This could lead to an international KSA team being assembled to assess the potential of eight shirt and men's outerwear plants, and develop a sourcing model based on KSA-USA experience gained with DuPont and other clients.

My two visits to South Africa this year have resulted in three proposals being made, and the prospect of re-establishing KSA in this country. South Africa has large and expanding apparel manufacturing and retailing industries. Apparel manufacturing alone employs 150,000 people, and the economy has “built-up” growth with more and more Black people becoming economically active despite what the world's press would have us believe about the effect of apartheid policies.

Over the past three months we have enjoyed working with *Bob King* who has just completed a successful AAMT installation for Slimma. Bob and his family will be returning to USA with many interesting experiences of their stay in rural Wales. The Kings certainly made every attempt to fit into the local customs and traditions. One of their favorite stories is of Bob purchasing a good supply of hot water bottles to keep warm in bed . . . in May!

—*John Beddows*

W. C. Schenke

In our youth, most of us learned quite naturally to love and respect Mother and The Flag. As working adults, we later came to appreciate and have warm feelings for yet another . . . the person who regularly signs and sends our paycheck.

Certainly, we do not have to worry about such details and the financial matters of KSA in general because *Bill Schenke* looks after all that as the Treasurer of Kurt Salmon Associates. He has been a Controller, Secretary, and Treasurer over his 25 years with KSA and celebrated that anniversary on July 15 of this year.

William Charles Schenke joined KSA back in the summer of 1956 in the Washington, D.C. "Home Office."

For those readers who were not around at the time, quotation marks have been used to denote 3000 Albemarle Street for it was, indeed, both a home and an office.

Upon graduation from the University of Maryland with a degree in accounting, Bill went to work nearby at Potomac Electric Power Company in its accounting department. Later, he worked in their corporate tax section and stayed with the company six years.

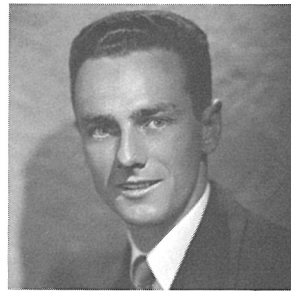
Then came his career with KSA where Bill is, in many ways, unique. Consider, if you will, that he:

- Worked in an adjoining office to *Kurt Salmon* on a day-to-day basis for 18 years.
- Never once used a good old K&E sliderule in his calculations.
- Reported for work at a resort in Lake George, New York, where he performed his new duties on the front porch of "Grandfather" Salmon's cottage there.
- Made only 1 (that's spelled O-N-E) intercity move in all his 25 years with KSA, and
- After quickly simplifying the accounting systems, had the audacity to remark, "What will I do for the remaining 2 or 3 days each week?"

Well, he soon got an answer to that question. From relatively simple tasks of "meeting the payroll," paying bills, posting books, etc., Bill is now involved and is supported by others in Department T with KSA's money management, collections, employee benefit plans, stock transfers, billings, group life/medical insurance, ERISA (and other government requirements), outside auditors, and on, and on.

In his career, Bill has seen KSA's employment rise from 50 to over 250; fee volume go from about \$1 million to over \$20 million annually; and the firm's net worth compounded from just over \$260,000 to \$3.6 million . . . not bad work for "the other 2 or 3 days of the week!"

Time permitting, Bill also putters around in his yard, likes to swim, and will win a majority of his bets with unsuspecting players on the golf course.



He and his diminutive wife, *Mary*, have a grown daughter, *Jeanne*, who lives in the Washington D.C. area. The Schenkes became first-time grandparents earlier this year with the arrival of *Andrew Peter Warth*. One might say that the first grandchild was worth a lot to Bill and Mary . . .

But if that description was not worth much, consider this one: Bill is—in the usual mold of an accountant—quiet, unassuming, and conservative. But there's another side to WCS. He and friends have enlivened many social functions when good spirits flowed, yet the evening was in danger of ending on a low note. More than one KSA get-together has been snatched from defeat by Bill with his quiet, unassuming, conservative, and very effective renditions of song and dance in the wee hours of those events.

Speaking of the hours preceding dawn, there is a slogan which says we can sleep better knowing our National Guard is awake and protecting us. After getting such reassurance, it is also good to have had Bill Schenke keeping tabs on KSA's shekels for all these years. And, frankly, no one else comes close to matching *his* thank you notes—sent out regularly at the end of each pay period.

—JAJ

Peachtree '81

By—Ron Brockett

The Gazelles (MMD) Triumph

July 4th in Atlanta this year was astonishing in itself. For the first time in anyone's memory, the skies were slightly overcast, the weather was cool and there was even a slight breeze. The asphalt on Peachtree Road was not 100 degrees. All of those who had spent so much of their energy in training and dreamed the dreams of personal glory were reveling in the day. Everyone who has participated in such an event knows the special excitement and the personal satisfaction of running the 10K with thousands of other runners in the arena of the world's great sporting events. For most who ran the Peachtree this year, it was a day of personal records. Thirty KSA'ers, some with their "main squeeze," were there to experience it all again.

Also to be experienced was the annual *Dave Cole* gathering of sweaty bodies on the banks of the Chattahoochee. In that congenial atmosphere, exalted chatter about the race and personal experiences grew as it came time to calculate the scores for the winning team. This year there were four: *Brockett's Rockets*, *Trautman's Trotters*, *Wilson's Winners*, and *Others*.

And finally the results were in

Overall		Time	KSA
1.	Rogers (MSD)	39.30	1
2.	T. Pee (MMD)	39.58	
3.	Paul Kaminski (Other)	41.16	
4.	Cole (MSD)	43.49	2
5.	Deming (Other)	44.30	3
6.	Baltimore (MMD)	46.00	4
7.	Armfield (MMD)	47.01	5
8.	C. Cleaveland (MSD)	48.21	
9.	H. Wilson (MSD)	48.25	6
10.	Snow (MSD)	49.24	7
11.	Topping (MMD)	49.34	8
12.	Phillips (Other)	50.40	9
13.	Schneider	51.11	10
14.	Brockett	51.50	11
15.	Richardson	51.55	12
16.	Brooks	51.58	13
17.	Loseman	52.00	14
18.	P. Connell	53.30	15
19.	Trautman	54.47	16
20.	Caffey	54.48	17
21.	Wise	55.00	18
22.	Seymour	55.00	19
23.	C. Connell	55.00	20
24.	Neal	55.17	21
25.	Severyn	56.00	22
26.	R. Pee	56.10	
27.	S. Kaminski	56.20	23
28.	C. Neal	56.20	24
29.	P. Cleaveland	61.00	25
30.	C.G.	68.30	

The sleek Gazelles of MMD had triumphed, for the first time, over the (graying) Eagles of MSD. Naturally, there were protests, calls of inaccuracy in point calculations from the more analytical, and mutterings about "ringers."



JEAN SNOW proudly holds the coveted Hippomenes Cup while fellow runners all appear very happy with the outcome.

The Hippomenes Cup this year went to *Jean Snow*, who completed her first Peachtree Road Race in the astonishing time of 49 minutes and 24 seconds, for an overall seventh among the group. With so many fine performances, it was difficult to pick a winner among a group so devoid of sloth and inertia.

It was a day for runners and will never be forgotten by the 30 as they lace up their shoes and continue to prepare for Peachtree '82.

My Gift from Wales to KSA

By—Sharon King

Dear KSA:

If you like playing darts or pool with a group of cheerful farmers, dairymen, butchers, company managers, builders, etc., then a pub is the place to go. You literally *come as you are*, and I think most farmers do. They walk straight to the bar and order a "pint of bitter" as if they've been looking forward to it all day.

About the third time *Bob* took me to the pub, I began wishing all of you could come. Then I thought, "I'll buy everyone in KSA a little souvenir" but quickly changed my mind after discussing it with *Bob*. I told him I could get everyone a *Royal Wedding Stamp* but he pointed out it would be like giving a 15¢ gift.

In some pubs a meal can be ordered, but the menu is limited. At the Brynhoffnant, our local, the Shepherd's Pie is quite common. Then the idea struck me . . . I'll give them a taste of Wales with the recipe for Shepherd's Pie." I hope you enjoy it . . . and if you suddenly get the desire to play darts, don't worry.

INDIVIDUAL SHEPHERD'S PIES

Metric/Imperial/American

1 quantity basic meat sauce

100g/4 oz./1 cup carrot, grated

1 tablespoon flour

0.5 kg./1 lb./1 lb. potatoes, peeled and boiled

Salt and pepper

Freshly ground nutmeg

Parsley to garnish

Heat the meat sauce through to thaw, then stir in the grated carrot and flour. Cook for 10 minutes. Cool slightly, then divide between 6 ramekin dishes. For freezing, use freezerproof ramekins or line the dishes with foil.

Mash the potatoes with the salt, pepper and nutmeg. Pipe a whirl of potatoes on each ramekin.

To serve at once: Place in a moderately hot oven (190 C, 375 F, Gas Mark 5) for 25-30 minutes. Garnish with parsley and serve with grilled tomatoes.

Continued on Page 12

Cecil Phillips

Almost 30 years ago, I first encountered an enthusiastic freshman at Georgia Tech; a young man with a flair for writing—uncommon to engineers—and whose paths would cross over a decade later. After he won a freshman English award, it became quite clear that *Cecil R. Phillips* was far from ordinary, and that he would be a definite asset to the ATO chapter at Tech. Our paths at the fraternity crossed for only a few months—he being quite a bit younger—and little did I know then that I would be fortunate enough later to be associated with Cecil professionally.

Following an academic career in which the young man from Birmingham excelled in campus publications, industrial engineering studies, and fraternity and campus leadership, he entered the industrial world as a publications man with General Electric. However, he quickly discovered his true calling and joined Operations Research Institute, a management consulting firm. There he honed his IE and OR skills.

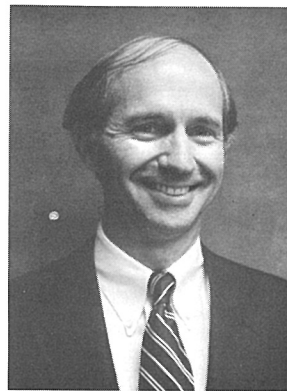
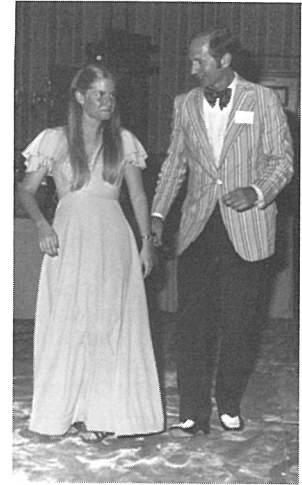
Soon, Cecil and two other Tech grads formed their own consulting firm in Atlanta. There, Cecil developed an expertise in CPM/PERT, and gained some renown for applying this technique to the construction of the Atlanta/Fulton County Stadium with considerable success, as attested to in Furman Bisher's book *The Miracle in Atlanta*. The completion of the stadium on time led the Braves to Atlanta... a mixed blessing at best. Cecil subsequently employed his writing skills in a book on CPM/PERT which has been translated into several languages and was selected one of the 10 best business books of the year.

In the mid-60s, KSA worked jointly with Cecil's firm in developing advanced information systems for the textile industry. Cecil then joined KSA full time in April, 1967, and headed our textile systems group. In this position, he spearheaded the development and growth of our textile systems practice and also contributed greatly to our public relations efforts. Fortunately, by the time Cecil joined us, he had dropped an earlier predilection for wearing garish bow ties.

Cecil's reputation as a "systems expert" spread and, out of the blue one morning, *Jack Ullman* received a call from then Governor Jimmy Carter "requesting" Cecil for three months to serve on a team evaluating the State's data processing activities. An autographed photo of Jimmy, with Cecil and several other KSA'ers, whom Jimmy persuaded Jack to volunteer, hangs in Cecil's office.

Somehow, even with his busy schedule, Cecil found time to become an accomplished archer and nature photographer. This heightened an already existent interest in nature, further fueled by membership in The Georgia Conservancy. Floundering somewhat, The Conservancy approached Cecil to take on the task of reinvigoration as its full-time executive. Thus, he left KSA in 1974 to contribute his part to a cause to which he was deeply dedicated.

CECIL and unidentified companion "cut the rug" at a dance contest.



CECIL, our multifaceted professional, sartorially dressed for the role.

Fortunately, for us, Cecil returned to KSA in 1979, with The Conservancy then in quite good shape due to his leadership. With his background in consulting, his interest and skill in teaching, and his professionalism, Cecil was an excellent choice to head our personnel activities—recruiting, personnel administration, training, and professional development.

As to his teaching skills, anyone who has not attended a seminar during which Cecil puts on his juggling act, to command attention and illustrate a point, has missed something.

And, anyone who has witnessed "Twinkle Toes Phillips" can attest to his terpsichorean skills. In fact, some compare Cecil's and *Evelyn Ullman's* ballroom skills to Fred and Ginger's.

All this, and we haven't mentioned the tennis, oil painting, boomerang expertise, and the time back in high school when Cecil tackled Bart Starr on the one yard line to prevent a touchdown... or was it Bear Bryant?

Cecil is the father of three... *Leslie*, a student at Southwestern; *Taylor*, a soccer coach/high school teacher and *Dan*, a young man with considerable swimming skills who will enter Auburn this fall.

Truly, a renaissance man: engineer, systems specialist, conservationist, dancer, archer, photographer, tennis player, teacher, painter, writer, consultant; one who has contributed in many, many ways to KSA during the 10 years he has been with us; a dedicated professional, a teacher, a friend to all. We are indeed fortunate to have such a colleague. —Freddie Wood

With Champagne and T-Shirts
Dept. "T" Celebrates



Dept. T members modeling their very own T-shirts are (left to right): Janice Haynes, Ann Prindaville, Paul Connell, Bill Beckemeyer, Nancy Thompson, Judy Whitehead, Jeanne Barakat, Bill Schenke, Nancy Dishinger, Don Richter. Jim Trautman holds what must be the empty booze bottle.

There was cause for celebration in Department T recently when KSA's large Mexican client, Alfa Industries, wire-transferred \$214,000 to KSA's account to settle this account receivable... *plus interest!*

This marks the completion of over \$530,000 of billings to Alfa, all of which placed unusual and extra demands on Department T, in order to conform with Mexican law. The invoicing process was difficult enough with special invoices to include Mexican tax obligations for transfer of technology, special expense reports to include original copies of all receipts to conform with Mexican laws, etc., plus the admitted fact by Account Executive, *Jim Trautman*, that he supplied a lot of pestering... however, everyone admits that Jim pesters pleasantly, and then tops it off by providing champagne and congratulatory T-shirts for a job-well-done.

Departures

KSA wished the following colleagues well as they departed to pursue careers outside KSA: *Kip Caffey* • *Jim Hicks* • *Sue Kaminsky* • *Roger LeBarron* • *Pete Paddrik* • *Buddy Ruppenthal* • *Frank Wise*.

From Europe, *Horst Kern*, *Oskar Honsalek*.

"Thanks"



The United Way. Thanks to you it works for all of us.

Atlanta Office



McClain



Trostle



Casey



Marlow



Whitehead

The Atlanta office has several new employees and we would like to welcome them to KSA.

Eva McClain and *Denise Trostle* are the two administrative assistants claimed by PD. *Eva* comes from Blacksburg, VA., where she worked in the Industrial Engineering and Operations Research Department at Virginia Polytechnic. *Denise* is a Certified Professional Secretary and relocated from Pennsylvania where she worked for the controller of a highway construction firm.

Cindy Casey is administrative assistant in MMD. *Cindy* is tri-lingual, has just graduated from Middle Tennessee State with a BA in Spanish. She is also fluent in German.

Janis Marlow is our new receptionist/switchboard operator. *Janis* has had much experience on our type of switchboard, most recently with a property management company in Atlanta.

Judy Whitehead joined Department T as relocation coordinator and will handle time records/expense reports. *Judy* has 17 years accounting experience and most recently worked for a Ford dealership in Maryland inputting accounts receivable data to a computer.

KSA-Atlanta said farewell to *Millie Simeone* of the Textile Division and *Sonia Miller-Sudan* of the Report Department.

Shepherd's Pie—Cont.

To freeze: *Open freeze before the final cooking. Pack freezerproof ramekins in polyethylene bags. If the ramekins have been lined with foil, lift out the solid pies and wrap in foil. Seal, label and return to the freezer.*

To thaw: *Unwrap freezerproof ramekins and thaw at room temperature for 30 to 50 minutes before placing in a moderately hot oven (200 C, 400 F, Gas Mark 6) for 30 minutes. Unwrap pies frozen in foil, replace in original ramekins and heat from frozen for 40 minutes in a moderately hot oven.*