

Puerto Rican Project Provides Challenges and Rewards

By—*Doug Rogers*

Question: "Do you speak Spanish?"

Answer: "No."

Reply: "Fine. Here are some Spanish tapes; be fluent by the staff meeting."

Such was the initial exchange between supervisor and staff man in preparation for an exciting assignment in Spanish-speaking Puerto Rico.

The job conditions were straightforward: The client demanded a bi-lingual consultant with experience making denim jeans. The solution, which turned out to be acceptable, was also straightforward: one staff man marginally fluent in English, with a one-week survey exposure to a denim workpant operation tutored by *Don Burkhalter*. (At the end of that week, I knew that Don could construct a basic fly 13 different ways, and I could manage remembering that the waistband goes on before the belt loops.)

The client was Mr. Frank J. Novoson of Society Brand Industries, based in St. Louis and a long-standing KSA client. Having known and worked with many early KSA consultants, it was sometimes easier to obtain historical KSA information from him than internally. Society Brand grew from a hat-making family business in St. Louis to three manufacturing facilities in the States, expanding to Puerto Rico in the 70's to work on government contracts, and now has three plants on the island, all currently involved in corduroy, twill or denim trouser operations. KSA is no stranger to any of the Society Brand plants, having been involved in some capacity with all six plants now owned by the corporation, plus others outside the parent organization.

The first two plants obtained on the island, Sports-caribe in Mayaguez, and Hunca-Munca in Las Marias,

were engineered by *Denys Williamson* and *Fernando Silva*, whose memories and manuals remain somewhat intact.

The scope of the "approximately six-month project," which developed into an 18-month association, involved conversion of the Sports-caribe facility from the staple Levi garment to a designer-label denim jean for a New York company. Before long, a built-up production schedule and expansion ideas kept both the consultant and plant management working long days. The scope of the project also involved improvements to existing administrative procedures, establishing a supervisory incentive system, training the plant engineering staff of four—quickly reduced to three and then to two—and providing supervisory training for six sewing supervisors and the production control foreman.

The staff meeting arrived, the consultant packed household belongings for storage and a small shipment to Puerto Rico to last for six months. Finding an "acceptable" place to live for a wife and four year old son proved to be more difficult than originally considered. Mayaguez, the third largest city on the island, is far from entering the charts as a metropolitan complex.

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The Job That "Damned Good Engineer" Got Us *Dillard's*

By—*Joe Neal*

As reported in the December 1980 *Observer*, "that engineer" was *John Caldwell* and the job was the Base Plus installation at *Dillard's* Department Stores distribution center in Fort Worth, Texas.

Dillard's is a large Southwest retailer with an annual volume of \$650 million in sales and still growing. The main distribution center is a highly mechanized 600,000 sq. ft. facility, built in 1978 and designed specifically for retail distribution.

Why KSA? In the fall of 1979, *Dillard's* had gotten hopelessly behind in the processing of merchandise for distribution to their stores. Significant receipt backlogs had developed to the extent that the expected average order processing time of two days had grown to six weeks. In attempting to catch up, on-floor staffing had swelled to over 550 people. A new vice president for distribution and transportation, Mr. Don Bradley, was brought in to get the operation back on track. Don had previously worked with KSA when he was with Levi and, recalling the excellent work that had been done for him by John Caldwell, asked KSA to submit a non-

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Establishing the Proper Learning Environment

Chairman's Corner

As 1981 draws to a close many of our U.S. clients' near-term outlook is filled with a good bit of apprehension. Retail activity has been disappointing, pressure is building for cancellation or deferment of orders, and retailers are seeking special promotional deals earlier than ever before. The economy is considered to be in a recession—for the second time in about 18 months—and the expectation is that these conditions will prevail until mid-1982, when an upturn is expected.

To a considerable extent, executives must have anticipated these conditions because our inflow of new business has been below expectations for the last six months. Perhaps they are now anticipating an upturn, because we have just finished a strong period and prospects for the immediate future are encouraging.

Our European business has recovered well, although basic business conditions are very similar to those that prevailed in 1980. Our European colleagues deserve a round of applause for they have surmounted a number of difficulties and generally turned things around. Our budgeting work for 1982 suggests that we should move into the New Year with good backlogs in Germany and Spain. Also, in the UK we have made considerable headway in spite of the continued deep recession in that country. All in all, 1982 could be a good year for KSA in Europe... based on present evidence.

In 1981 we completed the marketing part of our strategy audit for the U.S. and are now carrying this work forward in Europe. *Dave Cole* is acting as a bridge to ensure that we develop a coherent strategy for the company as a whole.

We are now working on the organizational changes required in the U.S. for effective implementation and anticipate that we will announce these changes in fairly short order.

Busy days are ahead because, in recession times we must work harder to get the business we need. We do know that the level of business we get is related to our own marketing efforts, although the results may not be as immediate as we would like.

We should be well positioned to capitalize on the upturn that's expected in mid-1982. Our capabilities are well aligned with the fundamental service needs of our clients. Their needs for consulting services are likely to grow, as the complexity of their problems and opportunities increase in pace with the restructuring of our industries, as international trade expands, and as their competition becomes increasingly sophisticated. One bit of convincing evidence of this is the surge of interest in work related to strategies for marketing, sourcing, and control. These projects usually have much promise for follow-on assignments.

To all in KSA who worked hard on whatever tasks or projects you were engaged in during the year, our sincere thanks for your contributions and loyal service to your firm.

This issue of the *Observer* goes to former colleagues. This group consists of our most valued friends and often includes important clients. While we try to stay in

touch, I sometimes have the feeling we should do a better job of it. I would like to invite our former colleagues to communicate their thoughts on what KSA might do to stay in touch. Let us hear from you.

To all of our readers, both in and outside KSA, I would like to say Merry Christmas and a very Happy New Year.

—SAK

KSA Christmas Card Fund

Contributions Totaled \$9,093!

Thanks, KSA'ers, for your thoughtfulness in contributing to this worthwhile fund. There were 121 of you. Your generosity will mean so much to the many who are less fortunate. It's nice to know their holidays will be brighter because of you.

The number of charities you selected amounted to 88, plus the additional one to which KSA made its annual contribution.

Donors' names were imprinted on a Christmas card and mailed to KSA's worldwide staff.

IMC Makes Progress

During 1981, support by KSA staffers for the Institute of Management Consultants accelerated. *Bob Malburg* became president of the very active North Carolina Chapter of IMC and *John Wilcox* serves the chapter as treasurer. *Cecil Phillips* was elected president of the Atlanta Chapter and *Ed Rader* heads the oral exam committee for applicants in the Atlanta area.

Dudley McIlhenny and *Steve Schlehuser* attended the IMC annual conference in March. A well run national workshop in October attracted *Frank Armistead*, *Bill Cobb* and *Cecil Phillips*.

KSA now has 33 Certified Management Consultants and Associate Members of the Institute. Another 15 have membership applications in process. IMC as a whole also grew nicely during the year to more than 1,400 members and associate members, and is planning to begin publication of a *Journal of Management Consulting*. The journal is intended to contribute to the body of knowledge of the consulting profession, rather than the art and science of management itself. Articles are being sought from all consultants... not just CMC's. Potential contributors are invited to obtain more information from the Institute on the types of articles desired.

THE KSA OBSERVER

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Mary Baach Editorial Board:
Joe Scheines Jack Johnson

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The 25 Year Club



Members of KSA's "25 Year Club" enjoying a "roast" in progress (L to R seated) EVELYN ULLMAN, GLORIA JOHNSON, ZEB ROBERTS, STIG KRY (standing) JACK JOHNSON, ROSS RUNNELS and MARY SCHENKE.



An "Eastern Onion" representative looking a bit like Groucho Marx provides anniversary thoughts to new members of the "25 Year Club" at a dinner in their honor on September 23. Complete with hats and horns are the honorees, DON JOHNSON, BILL SCHENKE and FREDDIE WOOD.



Also having a laugh are BETTY LOU PEE, JACK ULLMAN, JARNETTA WOOD, DEAN VOUGHT and LANIE JOHNSON.

Dillard's—Cont.

competitive proposal for a wage incentive program. The goals were to improve distribution center processing to an acceptable level and to be prepared to accommodate substantial projected company growth.

To this end, KSA submitted a proposal in January 1980. The project start was delayed due to Dillard's labor situation. In spring, the Teamsters were elected as the employees' bargaining agent. The validity of the election was contested by Dillard's and submitted to the courts for settlement. As a result, the originally proposed incentive program was reduced to a timework productivity program and begun in May 1980. In this program, incentive standards would be set for each operation and installed as timework standards. The plan was to have everything in place for incentives if the union representation question was settled in Dillard's favor.

From the beginning, as far as the distribution center personnel and management were concerned, our primary goal was to improve methods and procedures and set production standards. The term "incentives" was never used and our work in incentives was known only to top management.

By August, we were able to show Dillard's what they could expect from timework. They realized that they were not going to achieve their desired results without incentives. Another factor affecting the situation was the fast approaching fall season and the memory of the previous year's chaos.

The question now was what effect, if any, the installation of the incentive program would have on the union situation. Dillard's could find no potential conflict and decided to go ahead. Thus began an intensive program to sell distribution center management and supervision on incentives. This was all the more difficult since the union situation dictated that it be kept confidential. In putting together the program, and in an effort to emphasize the numerous positive aspects of an incentive program, Don Bradley coined the term "Base Plus" (now trademarked by KSA), and this became the cornerstone of our program.

We finally came out of the closet the day after Labor Day with the installation of our first rate. Despite the prior confidentiality of the program, enthusiasm among the employees developed and grew almost immediately. A liberal training bonus also added momentum.

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Principals Appointed

Congratulations to *Fran Fowler*, *Virginia Lamb* and *Jim Wermert* of Health Services Division on their well-deserved promotions.

Fran holds a BS in Nursing from Georgia State University and an MS in Nursing from Emory University. Her prior activities ranged from conducting seminars on nursing management and staff development, to nurse staffing positions in a number of hospitals. She has held a variety of offices in National Nursing Associations and is co-founder of Association of Nurse Consultants.



Since joining KSA in June, 1978, *Fran* has worked on 12 major projects such as Oral Roberts, Kessler, Northside Hospital, Hughes Spalding and Cookeville General Hospital, Tampa General, Our Lady of Mercy and Morton Plant hospitals. She had a major role in selling over 23 HSD projects and has rendered such services as strategic planning, management training, certificate of need applications, and facility design. She is also responsible for marketing development and resource information for HSD's focus in hospital operations.

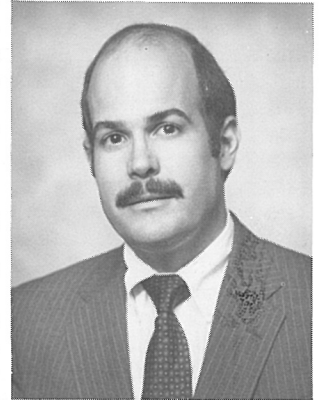
Virginia joined KSA October, 1977. She has a BS in Foreign Service from Georgetown University, a law degree from American University, and is licensed to practice law in Maryland and the District of Columbia. Previously, she had editorial responsibility for *Aspen's Hospital Law Manual*, clerked for the nationally known *Marvin Belli* in preparation for medical malpractice cases, and was in administration at Georgetown University Medical Center.



Virginia developed American Medical International (AMI), the second largest for-profit hospital chain, into a major client for KSA, has developed market and acquisition strategy for the corporate organization, enabling them to acquire two hospitals, replace one and start up three new facilities. She has worked on 18 major projects—plus 17 others—and in the last two years had significant involvement in selling over 20 projects with fees over \$400,000. Some of her major clients are: St. Francis Hospital in Memphis, Grady Hospital in Atlanta, Clara Maas in New Jersey, and the Baptist Medical Centers in Alabama.

Jim was a GM&M/HSD summer intern in 1977 and joined KSA full-time in July 1978. He holds a BA in Political Science from Cornell University and an MBA from Harvard Business School.

Jim has worked on a wide range of complex GM&M and HSD projects, contributed to health care and furniture public relations, sales management service development, recruiting at Harvard and University of Chicago, and to KSA business development. Currently, he works full time in HSD developing, maintaining the direction, focus and integration of the division's marketing and sales efforts and will spearhead HSD public relations and advertising. He relies on his experience in several industries to assist in integrating KSA-HSD sales direction with service development efforts in GM&M, HRD, Systems, Physical Distribution and MMD.



KSA clients who have benefited from *Jim's* expertise are such well-knowns as Tampa General Hospital, General Hospital Corporation of America, CYDSA of Mexico, Nadean of Canada, Lowenstein/Kandell, Jockey, etc.

Puerto Rican Project—Cont.

and there were few real estate agents able to assist in the search for a comfortable, furnished, short-term rental, house or apartment. Mayaguez has several large U.S. firms with active plants and real estate agents assumed any American looking for a place to live was "bankrolled" by a rich company.

Word went out via the grapevine, and before long the assistant manager/trainer of the local winter-league professional baseball team showed up with a furnished apartment at a resort named Club De Portivo, 15 minutes from work, with swimming pools, tennis courts, nine-hole golf course, marina, clubhouse, etc. The price was not great but acceptable, and waging war against the cockroaches was great fun for our son. It didn't take long to appreciate why many owners of resort apartments chose not to spend summers in this paradise.

On my first evening run around dusk, I was literally mauled by winged creatures twice as hungry as I have ever been for meat. I made good time on that run, but resolved to try the mornings in hopes the mosquitoes were too heavy to fly from dining on our neighbors. I immediately commissioned *Ginny* to patch all the holes in the screens, and rejected her suggestion that, considering the size of the aerial beasts, they would greatly improve our odds against the cockroaches.

My morning runs proved far more successful than the evening attempts, though silence was the order of the day to preclude being chased by stray dogs who saw in my scrawny calf more meat than they had eaten in a year. The brisk swim at the end of each morning's run dissolved the concerns of multiple rabies inoculations.

Weekends found us seeking out a new beach for picnics, gathering shells to add to household weight, and bodysurfing when conditions allowed. KSA gatherings frequently were arranged with *Geoff* and *Celia Gibson* and *Rob* and *Anne Brown*, who were "roughing it" on the island with a shoe project in Aguadilla, 20

miles up the West Coast from Mayaguez. Geoff and Rob both sported Hobie-Cats, and Geoff had plunged into the windsurfing craze, providing hours of exercise and a subtle form of entertainment for those watching a learner. Seriously, some of the best Caribbean sailing waters are found in Puerto Rico, with Boqueron Bay one of the finest for any water activity. Miles of beach remain unpopulated and unspoiled, except for an errant beer can, and all beaches are public property. The northern and southern beaches vary according to the respective Atlantic pounding and Caribbean gentleness. Though not as well advertised, many western beaches are the best on the island.

Regarding other "comforts of home," television is available on the entire island, while cable is limited to the largest metropolitan areas. There's no question but what San Juan offers some of the best restaurants in the Caribbean, and the night club acts are rated highly, with the show at the Condado Holiday Inn one of the best. For gamblers, any number of casinos, some large and more elaborately decorated than others, are willing to bet against you at your convenience. (Hot Tip #1: Try the third blackjack table to the left of the roulette wheel at the El San Juan, and wait for Veronica to deal.) (Hot Tip #2: Details on Veronica supplied on written request.) Though there used to be casinos throughout the island at hotels in Ponce and Mayaguez, they are now limited to tourist hotels in San Juan... and not all of them.

For the cultural portion of a visit, San Juan is the center for museums, theatre and symphony, and several of the major hotels distribute a weekly activities magazine titled "Caribbean Sun" which details the full range of scheduled activities. If you visit during the right time of the year, you may enjoy the annual Casals Festival, catch your favorite conductor directing the San Juan Symphony, or watch your favorite major league baseball player during the off-season winter league.

Timing of a Puerto Rican visit is a very big consideration—budgetwise—if you are fortunate enough to be staying with friends or have pre-arranged time-sharing accommodations in conjunction with one of the resorts. There are definitely in-season and out-of-season periods when, from one day to the next the sheets in your hotel room gain "gilded edges," your morning orange juice is freshly squeezed, room service response can legitimately be considered "prompt," the telephone mysteriously works *all* the time as opposed to intermittently or not at all, hotel shops suddenly have new merchandise/hours/prices, hotel activities you've read or heard about suddenly are present, and every commuter airline in the Caribbean has just come out with the "latest and exciting" excursion fares to the islands... *for all of which you pay double!* If you can be flexible with your plans, avoid the period from roughly the last week of November to the first week in April. If you have no option, double your original budget estimate for practically all expenses, with the exception of food. (Hot Tip #3: If they don't double your basic meal price, they'll get you on the wine list, so stay with water, which *is* palatable.)

Since Puerto Rico's weather changes very little throughout the year, and since someone cleverly arranged the flora to provide equally beautiful monthly variations, don't plan your visit for the specific purpose of having good weather. If your plans are a function of

Carol Bakely Manager, College Relations

Carol Bakely's effective work and employment has been recognized by a promotion to Manager of College Relations. This is a title understood throughout industry as the primary contact for students, placement directors, campus executives, etc. Carol has been working into this task for the past several years, and her responsibilities and professionalism have continued to grow and reflect favorably on KSA.

Carol will continue to be based in Princeton and will report to Pat Pittard, Employment Director. Together, Pat and Carol manage our year-round recruiting and employment activities with colleges, career conferences, agencies and other sources. They coordinate the participation of some 40 KSA consultants who participate regularly in campus executive work and in recruiting interviews on campus and at conferences.

In recent years, our employment program has involved processing some 5,000 resumes and interviewing some 1,500 applicants for consulting positions each year. From these we make 40-50 offers and hire 20-30 people each year.

—Cecil Phillips



getting away from bad weather, you are assured of having welcomed tropical change any time of the year. Yes, there are the months of December/January/February on the island, and yes, you will see some natives wearing longsleeved garments—including jackets—during those months... but their sanguine viscosity approaches that of water. In other words, don't bring jackets, and indulge in long sleeves for fashionable rather than comfort reasons.

So you want to know about driving on the island? The usual prerequisites involve a certificate of participation in at least one demolition derby each calendar year, a copy of one of your monthly paychecks from a Hollywood professional "stunt" company, and an optometrist's report verifying that the color red cannot be distinguished from yellow on stop signals. You qualify to drive if you have a valid stateside driver's license, but if that is all you have to verify that you can operate a motor vehicle, somehow drivers on the island know that as soon as you set the first wheel on the road.

There are some common characteristics between stateside driving and island driving, such as driving on the right-hand side of the road, *generally* proceeding "forward" in the correct lane, and there's one more... There is "right turn on red," "left turn on red," and occasionally "proceed straight through on red," the use of these rules, of course, depending on the circumstances such as, how close is a blue-flashing light?

What car to select? To avoid identification as a "foreigner" and to achieve recognition as a person who has good automotive sense, wherever possible drive a Chevrolet Nova... any year, color, number of doors—from one to four—and any body condition,

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KSA/USA

By—Jack Ullman

It's the fourth quarter, the two-minute warning, and our team is still ahead. Our margin of victory, while narrower than predicted, is creditable nonetheless for both volume and fiscal results. In addition to winning, we played the game exceptionally well against difficult odds.

Our combined apparel, footwear and related sewn products volume will end the year with real growth in billings. Health and Retail Services are also up nicely, but these gains are substantially offset by shrinkage in textiles, interior furnishings, mining and hospitality.

The economic storm clouds gathering during the first half wreaked havoc in the third quarter as our clients scurried for cover, refusing to commit themselves. As a result we find that sales in all but Health Services have been below billings with resultant shrinkage of backlogs. At the same time, we have an enormous number of high quality proposals outstanding. There is little doubt as to their conversion, but timing continues in question. As Stig has noted, we are beginning to see positive signs in this regard. As our stepped-up marketing efforts combine with increased confidence on the part of the business community, we will see a rapid rebuilding of backlogs.

But until this actually occurs on a sustained basis we, like our clients, will remain cautious. Service development and recruiting—our life blood—will be continued. Some other expenditures/investments can be deferred to maintain a profitable balance as we enter 1982.

We stated in the last Observer that "KSA is perhaps in the strongest position to grow and prosper than at any time in almost 15 years." We stand by that statement and as the U.S. economy recovers, we'll see it proven.

To all of you, our associates and support staff and your families, as well as our alumni, all best wishes for the holidays and an exciting 1982.

Puerto Rican Project—Cont.

preferably slightly rusted and certainly dented somewhere to further avoid suspicion. Thus outfitted, one can possibly drive an entire week and not be involved in a confrontation or fenderbender, simply because the Nova has status as the Puerto Rican "national" car. (Hot Tip #4: DON'T DRIVE ON THE ISLAND!)

"But if I don't drive, how do I get around?" you say. Right. It begins with a T and usually ends with . . . frustration! Taxi drivers cover a wide spectrum from very courteous to barely civil and, unfortunately, the writer's experience finds the mean located below the "marginally considerate/honest" point. Though there must be sound, legal controls regulating the taxi "industry," many drivers operate on the fringes of acceptable business practice. Generally, a very docile traveler, I find myself "gearing up" for my routine confrontation with one of "Puerto Rico's finest" every time I return to the island . . . usually on a late-night flight. Even though many drivers say they are not required to run meters after midnight, I request that the meter be run. Now that I'm familiar with my usual destinations, I know what to settle for if the driver wants to negotiate.

San Juan is one of the few large cities where the international airport is located practically within city limits, much to the chagrin of the taxi cadre, who make

up for it by charging fares equivalent to a ride from JFK to Manhattan. The two most common destinations are the tourist hotel areas of Isla Verde and Condado, which run an average of \$3.00 and \$8.00, respectively. That represents the *total* fare, but many drivers will insist that the fare is per person, in which case re-education is needed to refresh the driver's memory. Though San Juan is home to many "Gringoes," everyone is considered a tourist and treated as such when using taxi transportation.

So there's your one-stop traveler's guide to Puerto Rico. There are many pieces of information which travel agents cannot provide, which might make your visit more enjoyable. The best recommendation is, time permitting, get away from the tourist-directed activities of San Juan and drive the island. A trip from the northeastern corner to the northwestern corner of the island, along the Atlantic coast, will not exceed three hours. The return trip along the southern—Caribbean—coast will take possibly an hour longer, but is every bit as scenic, allowing the traveler to see the differing geographical characteristics of the island.

Well before our assignment was over, we had lived in three cities, ending up in a comfortable apartment in San Juan. We took a Cunard cruise to South America and several of the other islands, took advantage of the proximity of St. Thomas for day-trips and Christmas shopping, and generally stayed tan and healthy.

The initial project evolved into a similar program at the second plant, in Las Marias, located in the mountains at the end of one of the "windiest" roads in the world.

Roberto Bequillard arrived to assist in this portion of the project which involved connecting one section of a 35,000 pair/week Levi student corduroy jean plant into a 10,000 pair/week five-pocket men's GAP twill line. Having done this, the client chose to use the same production line for a five-pocket western denim jean for GAP stores. With this phase implemented, Roberto left and the client decided to start a third plant on the eastern section of the island to make more of this GAP denim jean. The Hunca-Munca plant sewed-out its denim work to the new plant, Porsche, and went to three separate production lines, one continuing to produce the basic Levi and GAP corduroy jeans, the remaining two of 15,000/week and 10,000/week, respectively, initiating contracts for two designer jeans companies.

The plant start-up provided another opportunity to see more of the island and to struggle with Spanish . . . generally appreciated by the employees. When our in-plant portion of the start-up was over, the plant was producing 13,000 units/week and approaching 60% efficiency. The other two plants were visited every week to monitor production, embroidery, and expansion programs. When it was time to say goodbye, the three plants were producing a combined total of over 75,000 units of denim and corduroy jeans, with the client continuing to pursue additional jeans lines. Since that will probably involve another start-up—very possibly in Puerto Rico—I suggest the KSA staff man involved contact me for additional client and vacation information.

DEPARTURES

We wish the following, who are no longer associated with KSA, every success in their new careers: *Bill Ball* ● *Vern Deming* ● *Dirk Mosis* ● *Paul Reese*.

Abbie Jean Quick Recommended for Award

(Editor's Note: Abbie Jean Quick received her degree from the University of Connecticut. Their Alumni Association gives an award annually to a alumnus who has been outstanding in their profession. Although the award will not have been made prior to going to press with this issue, we would like to share with you the letter in which KSA gave its reasons for feeling Abbie Jean should receive this honor.)



"It is the belief of all of Kurt Salmon Associates, Inc., that Abbie Jean Quick deserves this recognition.

"Kurt Salmon Associates is an international company of management consultants. Until she retired, Abbie Jean was our Director of Personnel and in that capacity was responsible for locating the right kind of people to keep this consulting firm growing . . . and that she did.

"Abbie Jean came with our company in 1944. Long before ERA, she was the first female recruiter and, for a long time, the only female recruiter visiting primarily male engineering campuses. She admits this proved useful in arranging interviews where her appearance was met with enthusiasm or suspicion but a large

turnout in any event.

"From the early 50's to the 70's Abbie Jean interviewed 4500+ persons for KSA. At the time, out of that number 121 joined the company and 98 are still with us. This indicates she is not only a charming and knowledgeable lady, but possesses phenomenal judgment of character and intellect. She discovered the talent that makes the company what it is today when that talent was embryonic. Her excellent judgment had to be coupled with a measure of clairvoyance and great faith in which KSA supported her wholeheartedly. How else can you explain selecting two future vice presidents on the same day and in the same unlikely place?

"Despite all the tests and diagnostic interviews, Abbie Jean often added an invaluable and indefinable sixth sense about people to her recruiting work and it paid off handsomely for KSA and its clients.

"Everyone in our organization loves, admires and respects Abbie Jean for herself and her capabilities. But it doesn't stop there. In her earlier years with the company she conducted numerous labor surveys and made personnel installations for our clients from Washington to Maine to Georgia, where she was respected and admired as a knowledgeable consultant whether in the boardroom or dealing with the workers in the factory.

"Yes, Abbie Jean was and is one of a kind. We are proud that, although now retired, her special gift is still available to us as needed. It gives us great pleasure to tell you of the esteem in which this charming, professional lady is held by Kurt Salmon Associates."

Dillard's—Cont.

It didn't take long for the Teamsters to react. The following Monday a walkout was called and picketing began. Dillard's position was that any permanent employee who honored the walkout would be provided a job when and if they returned.

Many permanent employees joined the walkout and many others were intimidated by the picketing. Responding to this, Dillard's began an ambitious hiring program. Other than an initial disruption of several days and despite newspaper reports to the contrary, the walkout had a minimal effect on the distribution center's ability to process merchandise. Eventually, the picketing stopped and those permanent employees who had walked out and returned were given jobs. Over the ensuing months, enthusiasm for the program continued to grow. One of the biggest pluses of the Dillard's project was management's wholehearted commitment to it.

Some aspects of the program were:

- An incentive pull ranging from 32% to 45%.
 - A supervisor bonus plan which tied the supervisor's bonus directly to the weekly performance of the area supervised.
 - A support bonus plan which tied each support person's bonus to the performance of the operation supported.
 - A liberal training bonus and detailed training program for each operation.
 - "Wet-look" tee shirts awarded to all 100% employees.
- The project was completed November 10, 1981. It covered 14 major operations. *Pete Cleaveland* was project manager and *Kent Davis*, *Sue Kaminski*, *Pete Dubisson* and the writer worked on site in Fort Worth.

We witnessed first hand, a client, threatened by union intervention, take the initiative and make Base Plus work. The union has been certified and is the bargaining agent for the employees. However, no contract has been signed and there is never any mention of the union by the employees.

The total cost of the project to Dillard's was \$385,000. Program savings as of November 1, 1981 were \$1,062,000, with an overall productivity increase of 74%.

The program has the potential to yield annual savings of \$1,520,000 and to increase overall productivity by 109%. The end result is a smooth, efficiently run, cost effective distribution center which is supporting the continued growth of Dillard's.

Trautman Featured Speaker at Furniture Convention

Jim Trautman, manager of KSA's Interior Furnishings Group, previewed trends of the 1980's and discussed lifestyle, retailing, economic, and technological factors which will affect furniture manufacturing at the recent National Association of Furniture Manufacturers (NAFM) Convention held in Ft. Lauderdale, Fla.

The speech, entitled, "The U.S. Furniture Industry: Getting in Gear for the 80's," highlighted strategic planning and stressed critical success factors. It included excerpts from a recently printed Furniture Perspective authored by *Tom Swanston*, *Mary White* and *Jim Wermert*, which received an overwhelming response from furniture executives and trade press in attendance.

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On Your Next Trip to Egypt, Bring . . .

Editor's Note: While the *Observer* doesn't exactly have a *Washington Post* reputation for investigative reporting, we are going to expose a highly secret and quite sensitive document sent from Mehalla, Egypt by *Chuck Gilreath* to *Tom Barts* in KSA's Atlanta office.

The four page, legal size, single-space typed epistle dealt with many subjects, some of which are not printable in family-oriented publications like the *Observer*. Nevertheless, most of the intelligence found after decoding the transmission concerned essential items that Tom should bring with him to an assignment in Egypt.

Just in case you, too, head that way, here are those Chuck recommends:

- Bring plenty of 6-12 insect repellent to mix with equal parts of suntan oil so the flies don't bother you.
- Squash racquets, shoes, running shoes, and shorts.
- Toiletries . . . go to the grocery and fill up a bag.
- Food: Avoid bringing canned goods, but bring all the spices and condiments you like . . . a case of Heinz 57 would be nice. More than anything else, bring several months' supply of Quaker Oats' Instant Grits . . . cheese or country ham flavor. (You'll thank me for this every morning, Tom.)
- Bring everything *with you* . . . do not ship a trunk. It took two months and \$500 to get mine through customs. Pay excess baggage, take the "Nothing to Declare" alley, and waltz through customs. Wait until you see some locals and fall in step. Push through with a serious look on your face like you have come in a hundred times. Might stand an even better chance if you bring a pile of suitcases rather than a trunk. Put a box of wine in the bottom of each.
- With a business visa in your passport, you don't need to change any money. Bring several \$100 bills and I'll show you how to make street exchanges and save 20% on the exchange rate. If you're shoving through a crowd, "Min Fadlack" is "please" and "Shocran" is "thanks."
- Water is good for brushing your teeth and that's it. Pack a large teapot for boiling water. A couple of cheap casserole dishes for heating food would be convenient. Bring plenty of USA salt and pepper, local and European stuff is powdery and clumpy.
- Bring all your tapes and your portable player and a ton of batteries. Film is always cheaper in the USA.
- You may need a sweater in the winter and a typewriter is nice to have. You might bring along a ribbon for a manual Smith-Corona (mine.)
- Bring special solutions for your contact lenses . . . they ain't got them here. Get some malaria tablets and maybe a cholera shot. They had us take them here at the plant, but USA needles are better.
- Remember *Caldwell's* Third World Kit? No office supplies here . . . bring some.
- Vitamins. I'm down 10 pounds. Remember the lack of nutrients in Manila food?
- You might consider one of those electronic backgammon players in case you're here alone for a while. A Berlitz Arabic tape would be nice, as would a cheap world Atlas for planning trips.
- Ohmygosh! Almost forgot, bring several large bottles

of Angustura Bitters! Worth their weight in (censored) to English girls and not bad in drinks here in the desert.
— International driving permit, shot record, etc.
— My guitar has been a worthwhile diversion; bring your organ, accordian, nose flute, or bagpipes! Snorkeling stuff . . . the Red Sea is supposed to be good.
— Be sure to bring some of those little goodies like *Joe Ann* gave us for Christmas. I would bring some small hams and grits *if you don't bring anything else*, Tom. If I have any more essentials, I'll Telex. (Signed) *Charles Gilreath*

Editor's P.S.: You can take a Georgia boy out of the country . . . but if you do, he'll holler back for his grits!

Charlotte Branton Appointed Health Services Analyst

Outstanding work has led to another promotion in the Atlanta office administrative staff. *Charlotte Branton*, who served as administrative assistant to the Health Services Division since February, 1980, has been appointed Health Services Analyst, effective January 1, 1982.

Charlotte came to KSA with a strong background in administration, primarily with a retail store chain in Florida. She has performed a wide variety of tasks in HSD, including billable assignments, and is credited with helping to improve several aspects of HSD's marketing, research, and delivery procedures. She has recently initiated a new computerized research service for HSD. In her new task, most of her time will be billed to client projects.



KS' Granddaughter Loses Life in Crash

Jeunesse Abolt, 16, did not survive a crash caused by the drunken driver of the second car.

Jeunesse lived with her family at Waters Gift, a horse breeding farm in Burtonsville, Md., where the family raises Trakehners, a German breed noted for its ability in dressage, show-jumping and cross-country competitions. She began competitive riding when she was seven and has won many prizes.

In memory of their daughter, *Russell and Larrine Abolt* immediately took steps to see that the farm will be used to help teenagers.

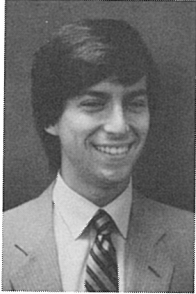
Other survivors include a younger brother, *Chris*, and two grandmothers, *Lula Maye Salmon* of Washington, D.C., and *Jean Abolt* of Marathon, Fla.

All KSA'ers extend their deepest sympathy to the family.

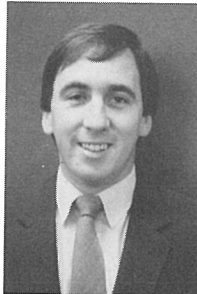
Trautman at Furniture Convention—Cont.

Jim Trautman, Jim Wermert, *Don Grede* and *Beth Souther* are currently putting together a game plan to follow up this success with sales visits to many of the furniture companies who now appear to be interested in KSA.

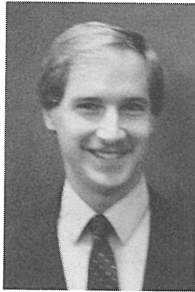
New Staff



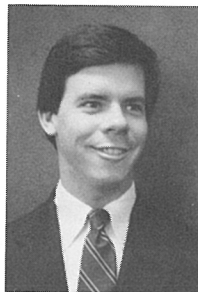
Lein



Norris



Reilly



Sullivan

Lawrence C. Lein (Larry) ... Age 26. Single. BA in History, Brown University; MBA Harvard University. Assistant buyer for R.H. Macy's, Inc. for two years. Larry worked with KSA last summer and is now based out of our New York office, working with GM&M. Interests: Golf, tennis, squash, gourmet cooking.

Stephen Norris (Steve) ... Age 29. Wife Lynn. Three year old son. BSc in Mechanical Engineering, London University. Six years in manufacturing with Michelin Tires in England and France. Steve will be working in the UK. Interests: Squash, tennis, classic car rebuilding.

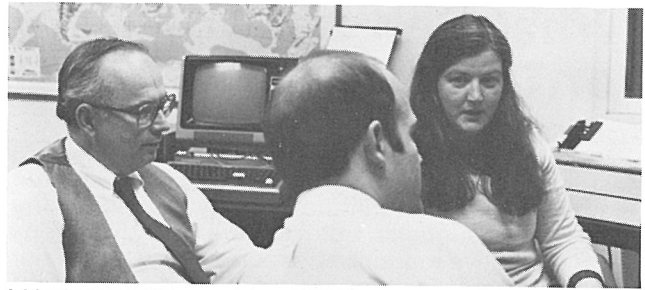
David C. Reilly (Dave) ... Age 26. Single. BS in Accounting/Computer; MBA, Harvard University. Two years as a Senior Auditor with Arthur Andersen. Dave is based out of New York and also working in GM&M. Interests: Photography, skiing, reading.

Robert P. Sullivan (Bob) ... Age 23. Single. BIE, Georgia Tech. Six months previous experience in Marketing Training. Interests: Bicycling, racquet sports, reading.

Focus on: Mary White

Writing about *Mary White* should be easy, I thought, because I already know so much about her. But being one who is more comfortable with conjunctions and commas than chi squares and correlation coefficients (whatever those are), I found that even though Mary and I are good friends and KSA hall-mates, I knew little about her work. This interview proved enlightening to me, and will, I hope, give you better insight on the professional and personal side of a person well worth knowing.

Mary's career with KSA began as a "temporary part-time job" more than five years ago when she was hired to update the mailing list. Within a month she was "permanent part-time," helping out in Central Records and doing technical support work. (Mary says she only worked on the mailing list for one day.) She worked



MARY WHITE provides VIS/CALC instruction to BILL REED (L) and JIM WERMERT.

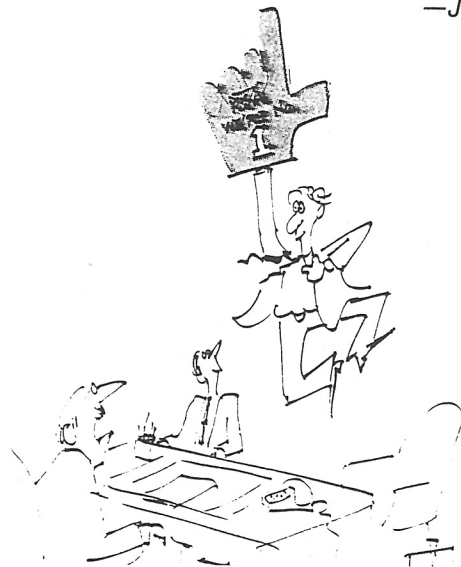
part-time for three years while pursuing a degree in City Planning at Georgia State University, then in December 1978 stepped into a full-time technical support position. That was followed four months later by an appointment to head the technical analysis unit for the Atlanta office.

Mary soon became familiar with the first micro computer installed in the Atlanta office and developed proficiency in the computer's applications to a wide range of client problems. She is the key operator and trainer for the rapidly growing number of consultants who want to use the micros (she now has two micros and is planning to obtain a third one.) The department she supervises is responsible for all non-accounting data processing, including, for example, attitude surveys, market research and regression analysis. And as of December 1, Mary's duties have been expanded to include Central Records, and her new title is Supervisor, Central Library and Information Analysis.

Mary does work long hours at times, and when asked what one of the challenging parts of her job is, answered, "sneaking out of the building in the morning after working all night, before anyone notices I'm wearing the same clothes I had on the day before."

Mary is a transplanted Northerner, born in Connecticut and raised on Long Island, and is the only daughter in a family of six. In her leisure time, she *does not* play computer games ("Never have and never will"), but does enjoy entertaining, collecting prints and watercolors, and traveling. She is an accomplished seamstress, who designs many of her own clothes.

—Janice Ryer



That isn't necessary... we've used KSA before.

“What Can We Do For These People?”

By—Tom Gibson

One probably wouldn't expect to find the world's most modern shirt factory in a sleepy little western Georgia town, nestled in the red clay foothills of the Blue Ridge Mountains. But it's there, and the sleepy look is deceptive too, since it is surrounded by a major concentration of clothing manufacturers within a 20 mile radius.

This average-sized dress shirt sewing facility—one of the “Big Three” shirt companies—holds its own in the labor market with an extraordinary 10% turnover rate, and with fully 65% of its employees having 10 or more years seniority. This held true even through a 13-month KSA engineering program which saw much first- and second-generation automation replaced with the latest available technology.

Now, I wasn't there, but I imagine the conversation between supervising principals *Butch Price* and *Jerry Armfield*, after their first tour of the plant as it was, went something like this:

Jerry: “Butch, what can we do for these people?”

Butch: “Simple, Jerel! We recommend they spend a million dollars to (a) buy state of the art equipment, (b) increase productivity by 25%, (c) reduce excesses by 33%, (d) save themselves 15 to 20 grand a week, (e) hire three or four engineers to be trained by our staff guy...”

Jerry: “Our staff guy? Who?”

Butch: “Well, I heard *Tom Gibson* is finishing up a project in women's exotic underwear.”

Jerry: (Chuckling) “Oh, really? I wonder how he pulled *that* off.”

Butch: “I can't imagine, but assuming he did, that of course qualifies him now to be sold as KSA's men's dress shirt expert.”

Jerry: (Absently) “... all that *Frederick's of Hollywood* stuff... all that black lace...”

Butch: “I suppose so. Anyway, we could send him to Canada for a week to a plant we engineered one time, so he could get some shirt exposure.”

Jerry: (Staring into space) “Exposure! I wonder if he's got a catalog...”

Butch: “Jerry! ... Jerry?”

So the project began and, bottom line, it was successfully completed. End results were better than had been projected and, consequently, it appears that KSA will do a lot more work for this client in the coming years. For example, its top executives were so encouraged by the implications of KSA's study of Far East imports in the dress shirt industry—conducted for DuPont's Textile Fibers Division—that it commissioned a group (*Jerry, Butch, Peter Harding, Jack Ullman, Bob Frazier, and Sergio Cruz*) to conduct a similar study for them. Now we have begun planning for projects in cutting and sewing for other divisions within this client's organization.

Meanwhile, back at the sewing room project, things went along with no more than the expected number of hitches and foul-ups, thanks in no small measure to an interesting cast of characters:

— The plant manager, a classy 67-year-old lady who has been in this same location for 52 continuous years

Illegal Alien Reporting for Work?

West Coast regional personnel ruled out the suggestion this person might be the “head sewer” but surmised it could be an illegal alien reporting for work in the L.A. garment district. Too bad a KSA'er wasn't following... a sure lead to a prospect who truly needs KSA!



of service! During several meetings to update her on the progress, she handed me a bucket full of peas to shell while we talked!

— A talented, hard-working staff of client engineers, follow-up technicians, and clerk/typists, as well as a carefully chosen client project manager who knew his “rising star” (among other things) was on the line with this project.

— KSA's *Pat Walker*, fresh out of Georgia Tech, on her training assignment, won the respect of all her colleagues, successfully engineered the cuff department, and developed her own style of being both aggressive with and endeared by those operators she needed to motivate.

— The Butch and Jerry Show... their leadership was persistent and supportive, their project management style was direct but sensible and flexible, and their assurances that my next assignment would be in Anchorage, Alaska if this one failed were incredibly motivating. (Butch can do a chilling imitation of an arctic blizzard!)

— And finally, as living proof that if the spouse is happy the consultant will probably be more productive, *Jane* was able to get five quarters closer to her goal of a college degree in English. There's nothing like having a happy co-ed around the house!

In summary, the answer to “what can we do for these people?” lies in the following points:

● Direct labor cost in a dozen shirts was reduced by

Continued on page 11

Wives Load up on Freebies at Bobbin Show

This year's "Wives' Special" at the Bobbin Show attracted a group of eight KSA wives. Hosted by the Personnel Department, the second annual spouses tour was a big success if measured by the amount of free samples carried off by the ladies. One was heard to exclaim, "Why don't our husbands ever bring home

all these things?"

The ladies also enjoyed several fascinating machinery demonstrations, including automatic embroidery, the Gerber Cutter, and others. Training Director, *Bill Cameron*, served as guide for the half-day tour of the show.



BILL CAMERON explains a clever button feeder device at the Bobbin Show to **SHARON KING, CAROLYN CAMERON, JANICE RYER, MIRIAM EVANS, GINNY ROGERS, CAROL AVARY AND BECKY REEVES.**

What Can we do for These People—Cont.
23%, or about \$3.25.

- Cash flow net investment peaked three months earlier than projected, at nearly \$300,000 less.
- As excesses continue to drop, the project should be producing net savings by late spring '82 at a rate of \$15,000 to \$20,000 per week.
- As excesses approach the 11% goal, savings in standard labor, excesses, fringes, indirect labor, work-in-process, and material will approach \$6.90 per dozen ... a dollar more than was projected in the survey.
- There was a net reduction of eight hourly paid jobs. Most of these people retired or transferred to sewing jobs.
- LET was taught to about 50 supervisors and managers from local and nearby plants, and an abbreviated version of the DuPont study was presented to about 90 supervisors and managers from the region.
- Total cost of the project to the client will be about \$150,000 less than expected.

A challenging project, for sure, but not so hard as to cause one's golf game to suffer, or make one come home and yell at the dog. The proof of our success is that now more challenges lie ahead for us with this client; our team clearly won their respect and trust.

Finding Better Ways

The house organ for the employees of KSA's client, Boca Raton Hotel and Club, showed *Geoff Gibson* and *Roberto Bequillard* at work improving productivity and quality in their laundry. Geoff has been reassigned, leaving Roberto to struggle through a made-to-order winter on the shores of the Atlantic in South Florida. Nice work if you can get it...



How Are Your Literary Enzymes?

The following announcement by *Rick Wolfe* appeared on the Princeton office bulletin board:

"Due to spatial limitation restrictions on the back of my two-wheeled vehicular mode of transportation and the subsequent invoking of the priority loading principle,

it has become necessary to announce—with regret—the *temporary* discontinuation of our Friday morning culinary, confectionary delights.

Continued on page 13

KSA's First Venture in Furs . . .

By—Chuck Harris

When I found out we were headed for an assignment in Quebec City, the heart of French Nationalism in Canada, I was somewhat apprehensive. My high school and college French hadn't been tested in seven years, and it wasn't that good originally. I was pleasantly surprised to discover how much I did remember. Even when I was grammatically incorrect (which was probably most of the time), people usually understood me.

Quebec City is the only walled city in North America, and we were able to find an apartment just inside the wall. Judy liked the location because we were within walking distance of most of the historical sites and museums. The dog loved the grassy embankments of the fortress, the "Citadelle," and the numerous nearby parks where he went for his daily walks. From the windows of the apartment we could see the lights of the lower city and the imposing Chateau Frontenac, Quebec City's major landmark. Complete with a copper roof, turrets and towers, and soaring red brick walls, the chateau stands high above the St. Lawrence River.

French-Canadian food is the specialty of the region, and we sampled it frequently. One of our favorite places was "Aux Anciens Canadiens." This restaurant is in a house built in 1675, with thick stone walls and exposed wooden beams. And the food! A typical meal would include thick Canadian pea soup, meat pies, fresh seafood, and, for dessert, maple syrup pie served with heavy cream. During the summer there were lobster and oyster festivals. Most of the restaurants have outdoor dining areas and live entertainment. Another touch of Europe!

When we could tear ourselves away from the attractions of the old city we found places outside Quebec City just as interesting. One Sunday we discovered a huge flea market in a field near town. A Quebecois passion is bargain hunting. Several thousand people were milling around, admiring piles of furniture, books, paintings, clothes, and various "antiques." There was a section for fresh flowers and vegetables and another area for livestock. We finally located a champagne basket to hold sewing and knitting projects and a small table for the living room. I started to gain confidence about my French—I dickered the price down. As we were leaving, I started to make a comment about seeing "everything but the . . .," when I noticed it leaning against a post. There, slightly cracked but easily identifiable, was a kitchen sink for ten dollars.

Strikes were a constant irritation. Our bill paying procedure was complicated when the Canadian postal workers went on strike for two months. With American debts to be paid, we had to collect bills until we had little or no time left before the due dates, and then make the lengthy trip to Maine to use the U.S. Postal System. Judy started a list of groups on strike, a list that included the postal workers, the bus drivers, the garbage collectors, the construction workers, the radio and TV technicians, and the provincial police. There was even a plan by one union to organize unemployed people.

I was fascinated by the project. Maranda and Lebreque is the fourth largest fur processor in Canada, specializing in the dressing of beaver and mink. Although



CHUCK with \$25,000 worth of polar bear.

most of their production is destined for coat manufacturers in Canada, the United States, and Europe, they also do a thriving business with local hunters and trappers. The skins I saw processed at Maranda included bears, cows, dogs, cats, seals, deer, buffalo, zebra, lions, muskrats, raccoons, fox, sheep, monkeys . . . even snakes. The management is proud of their ability to handle *any* job.

The project was to design and implement an incentive pay system for the plant to replace the existing "contractor" system. The employees were paid a fixed price per skin and the money was divided equally among the workers (except for the women, who got 90% shares) at the end of the week. The employees decided when to work, on which operations to work, and at what pace to work. Productivity was down, quality was declining and management had little control over plant operations.

June is the busiest month for fur processors, so my first impression was of Maranda at its chaotic worst. The basement, known as "the cave," housed thirty huge wooden vats where raw skins were washed and tanned. The cement floor was pitted and cracked, and the vats were emptied onto the floor without drainage. I found this out the hard way my second day on the job. Two vats were emptied simultaneously while I was watching a worker load beaver skins into a tanning bath. Twelve hundred gallons of water flooded the floor to a depth of four inches. "So that's why everybody down here wears hip boots," I thought as the water rose over my not-too-waterproof Hush Puppies.

The other four floors were little better. The fleshing department, where excess skin was shaved off the furs, was an inch deep in scraps of flesh. The other departments were covered with grease or sawdust. During my initial tour I realized there were no restrictions on smoking and I made my first assignment a layout of fire escape routes. Skins were transported in wooden carts weighing as much as eight hundred pounds when full and requiring as many as four people to push. One elevator served all five floors. And with two exceptions, the newest piece of equipment was forty years old. I was optimistic about the success of the project, however, because the employees were as anxious as management to change the system.

The fleshing department was selected as the first target for phase one. The fleshers had an average seniority with the company of sixteen years and were not inclined to be flexible about new work methods. Luckily, the recognized fleshing leader became a valuable ally. As the plant had no automated bell system, Raymond signaled the start of breaks. He would then climb up on the fleshing table for a quick snooze before signaling the end of breaks. I was doing a personal and fatigue study one morning when his "quick snooze" became a deep sleep. As the watch on the time board ran on past the time for the end of the break, Raymond kept snoring. Finally, eleven minutes later, he awoke with an embarrassed look at me. When I started grinning he started laughing, and we had no trouble with our methods proposals from then on. We also had an automated bell system installed two weeks later.

Phase one was a success. Productivity increased about forty percent, and fleshers' hourly pay increased substantially. The success of phase one made the engineering of the remaining operations easier. With the control the company regained over operations from the new incentive system and the savings resulting from increased productivity, Maranda and Lebreque is embarking on an ambitious modernization program.

When I was in training, someone told me there were "good jobs" and "good locations," but that a single project rarely combined the two. We were fortunate enough to get one that did.



DOUG ROGERS, GIL SYDELL and TONY BROOKS enjoy ham sandwiches and exchange of ideas (or is it jokes?) at one of JJU's Friday lunches at the Atlanta office. The idea, copied from the successful lunches in the New York Office, has gone over well in Atlanta.

Literary Enzymes—Cont.

"Temporary though because with nature's grand design the changing season brings with it the imminence of eventual inclement weather making two-wheeled vehicular traffic less than pragmatic. At such time as that where traveling by automobile becomes once again in vogue and of course, cargo space is at a premium, then as before our mouth-watering treats will reappear.

"Realizing that perhaps some of you lack the literary enzymes necessary to digest the previous passage, here it is in a nutshell: There wasn't enough room on the back of my bike for the milk and the donuts so the answer was simple. There ain't gonna be no mo' donuts. At least until the weather gets crappy and I hafta bring my car. OK?"

Around the Company

Communications Department

Some unkind souls have suggested that we skip an occasional report on PR doings so that we'll then be able to throw a lot of numbers around in the next issue of the *Observer*. Not true! All these things happened since mid-September, and we are amazed.

The Communications Department has been involved in 24 different presentations (that we can remember) since the Bobbin Show. Only 22 of them required slides or transparencies. These ranged from two-day and one-day paid seminars promoted by KSA and a two-day Apparel Research Conference on planning (for which we supplied six speakers with slides), to a modest little speech before an international textile audience (words, no pictures, but effective withal.) At one point *Sandy Evans* had four different slide presentations in work at the same time.

The presentations were made to a variety of industry audiences: furniture, luggage, knitted underwear manufacturers, consultants, physical distribution specialists, hospitals, and the American Institute of Industrial Engineers. From our point of view, the most exciting were: a public relations program for a hospital client prepared by *Beth Souther* on a consulting basis; an invitation to address the National Association of Furniture Manufacturers convention (after they were "turned on" by our first Perspective to that industry), and the quality of the audience that paid to attend our seminar on Merchandise Control/Inventory Management for consumer goods.

We communicated in other ways during the last three months: an Apparel Perspective on Strategic Planning, articles on systems for a fashion manufacturer and using micro computers to set piecerates, a piece on retail sales productivity, KSA's Soft Goods Outlook for 1982, two new brochures (Industrial Laundry and Quality Circles), and two trade shows (apparel and footwear.)

Since it isn't introduced with the same degree of hoopla, some KSA'ers may not realize that we produce a financial Profile of public footwear companies each year, in addition to those covering apparel and textiles. This year's footwear study, covering 34 firms, was brought out quietly by *Janice Ryer* while everyone else in the department was in full cry meeting slide deadlines. Janice does slides, too; in fact, her Itek machine supplies most of the type used for Atlanta visuals. So how did she find time to provide a third Profile this Fall? We don't know.

Finally, publicity. One mention begets another, and another, and another. In the same week this November we received calls from publications in Los Angeles, Kansas City, Atlanta, and New York, as well as National Public Radio. They all had seen KSA quoted in some article or other recently, and wanted to know what we know about designer jeans, women's sportswear, unemployment and textiles, licensing, linens and domestics, and retail mark-ups. We allowed as how anything we knew about these subjects would probably be covered in our 1982 Soft Goods Outlook, to be mailed December 1. In the meantime, how would they like a copy of our new brochure on Quality Circles and

Continued on page 14

Leader Effectiveness Training . . .? (If that didn't satisfy them, we let them talk to *Bob Nahas*, all-purpose KSA spokesman.)

We are getting to the point where publicizing KSA's varied product and industry mix has become easier because those industries are in fact closely related.

—JS

Exciting Times in HRD

The business world has changed a lot in recent years. Inflation has increased, money costs have soared, technology continues to bound forward and competition from foreign competitors has crippled many U.S. companies. Never have managers been so pressured for results, never has that last ¼% profit been so vital, and never have companies fought for survival as they do now.

These are exciting times in the Human Resources Development area. Many of those highly pressured managers are beginning to see the importance of the human factor in productivity. Their awakening insight causes new interest in some old services. As you probably know, *Quality Circles* is the "in" phrase in business. The Japanese have had such great success in improving quality and lowering manufacturing costs that they have become powerful competitors in the marketplace. Many attribute their success to Quality Circles, hence, the interest.

Ironically, KSA has been doing Quality Circle work for years . . . we just didn't have the catchy name. Projects for Wembley, Berman Buckskin, Bayly, Wigwam, Jim Walter Resources, FMC-Green River, FMC-South Charleston, FMC-Pocatello, Stansbury Coal and many others all have a little Quality Circle in them.

What is it about Quality Circles that is important to management? Predictably, two things: "How do I know they really fit my company?" and "How can I be sure we'll get results?"

The answers are not easy because the first question is wrong. The question is not whether Quality Circles fit into the company, it is whether the company believes in the potential of its people. If it does, then Quality Circles can almost certainly help them. If it does not, then they have sacrificed that very area in which Quality Circles contribute. That sacrifice can be regained, but it requires a real change in values . . . something that is not easy to come by. The companies that make such changes have top leaders with great insight and significant new thinking, who are new in those positions, or who are confronted with very serious problems. No doubt these tough times and the consequent problems have caused much of the interest in Quality Circles.

Those who have to ask the first question will have to ask the second, too. Conversely, those who believe in

Health Services Division

Sales amounting to \$282,000 in the three periods since the departure of *Ron Everett* and *Pete Paddock* have kept everyone more than busy in this division.

Although 50-60% of our work has been Certificates of Need, these jobs have become larger and more challenging. With three to four contestants involved in every "CON" situation, we've all had to dust off our old college debating team skills.

We've been encouraged as well by some opportunities to build our corporate strategy practice. *Virginia Lamb* and *Dave Reilly* are currently developing a strategy and possibly a corporate diversification program for St. Francis Hospital in Memphis, Tenn. *Don Seymour* and *Jim Wermert* put together a strategy for North Florida Regional Hospital which we hope to develop as a prototype for all HCA hospitals. Current hot strategy prospects include Intermountain Health Care Corporation; St. Anthony, Columbus; and Newnan, Ga.

Many new faces have appeared on HSD assignments. *Mark Foreste*, who came in full time, is already in hot demand on the Kessler and Henry General projects. *Charlotte Branton* became a "para-consultant," and is currently splitting her time between Northside, Rockdale, St. Francis, Mt. Pleasant and Morton F. Plant. *Tony Brooks*, helping out with two Humana projects, rocked the city of New Orleans with his presentation of Humana's case. Some thought he was part of the

Continued on page 15

the potential of their people can also see that some of the most important results of Quality Circles are not monetary . . . they are human. However, on the practical side, the International Association of Quality Circles says, ". . . it is common for organizations to realize from three to six dollars in cost savings and cost avoidance for every dollar invested" (in Quality Circles.) The payback is generated through lowered production costs, increased productivity and improved quality . . . all through company employees.

How do we train Quality Circle leaders . . . primarily with Leader Effectiveness Training. LET skills are precisely what a circle leader uses to do a good job. LET is also an excellent basic service. Evolutionary refinements have been made to the course during the last couple of years that make it more powerful and durable than ever. One of the latest being developed is a potent, new video tape that shows LET in action, providing real life examples for training use.

Yes, these are exciting times for HRD. Management is looking to a future where the people resource is used as efficiently as other resources. Would you like to get in on the action? We have materials that might interest your clients.

—Bob King

THE LET CLASS



German Region

When this issue is read, 1981 will have ended. What has this year been like? The people of Europe are increasingly concerned over possibilities of a third world war (nuclear), and the danger of being destroyed. More and more, they are going to the streets, demonstrating, etc., and the demonstrations are becoming more violent.

So far, the economy is stable, although signs are growing that the recession is not over. On the contrary, more dark clouds are on the horizon than at the beginning of the year . . . energy costs have risen dramatically, and high interest rates have slowed industry's willingness to invest. Many European governments are struggling with growing debts and fewer resources to fill social commitments. In Germany, 1981 was a record year for bankruptcies, especially significant in the apparel and retail industries.

The above developments did not affect KSA's business. We sold more than budgeted, have served a number of clients in all industries, and backlogs in PMS could be improved, when compared with the beginning of the year. Despite having to carry some heritages from past years, we will make budget . . . possibly, beat it.

The restructuring of the GMS division is beginning to show results. Flexibility is better, utilization is up in spite of a heavy training burden and, as a result of this, the income budget should be met.

The PMS group—still the largest—again made substantial contributions to the results. However, it must be emphasized that selling PMS work has become more difficult and is requiring more development to stay ahead of industry and competition.

Although we haven't broken through in the retail field, we do recognize having made headway. We have added a good number of new, prestigious, and happy clients.

Purposely, we haven't gone after the textile industry, but we were able to get two more sizeable clients and further promising contacts. (Income for 1981 reached about half a million Duetsche Mark.)

I must say that, taking into consideration the difficult starting point at the beginning of the year and the negative outlook at that time, the group has achieved outstanding results. I would like to thank all for their hard work, immense efforts and loyalty to KSA.

Outlook—It is difficult to say what 1982 will bring. Although the signs described indicate an insecure general development, we are somewhat optimistic of again growing in 1982. Our team is stronger and capable of offering highly sophisticated services to the market in all areas. However, sales efforts, service development, recruiting efforts and training must be kept up at a high level.

The strategy audit will be completed in February and shall tell us where to go, where to concentrate our resources in order to best serve our clients and, therefore, develop an increasingly successful business.

Generally, we should not expect times to become easier. Nevertheless, there is always a good market for the best consulting companies and it is my firm belief that KSA rightfully belongs in that group and will remain there by constantly improving its services to the industry.

—Hans-Horst Hensche

Marketing—German Region

Recently, there were two prominent events for our marketing division: participation at the first marketing fair in Cologne, and the first issue of our publication *Perspektiven*.

In October "The European Fair for Marketing" took place, for the first time. In line with our philosophy that KSA must be present wherever things are happening, we decided to participate in the fair.

We dispatched 500+ letters offering complimentary tickets on request and awaited with great expectation for the first replies. When the first three returns came in marked "dead," we felt somewhat deflated but laughingly decided this could be a new division with very little competition . . . a completely open market. Nevertheless, we looked forward to welcoming representatives of other potential clients. We were content with the results of the fair . . . one reason for our success there could be we were the only consulting company offering fresh coffee, tea and cold beverages!

Our leaflets and brochures attracted a great deal of attention and positive comments . . . especially the silver covered brochure. So much so, we had to restrict the distribution and offer instead our new publication *Perspektiven*. We noticed the silver color had strong eye-catching appeal and, perhaps, also a good psychological effect.

As a new service of our division, every three months we will issue a publication containing important news items from the marketing sector. The distribution of 500+ was made up of active and potential clients in the retail and marketing areas.

—Johannes Molzberger

Harry Lack Accepts Position With Jaeger

Harry Lack resigned his position as UK Regional Director with KSA-Ltd. to take a Board appointment with Jaeger, part of the Coast Paton Group. Harry will assume responsibility for Jaeger Tailoring, the manufacturing subsidiary, and we have expectations he will soon become a good client. This move will enable Harry to spend more time with his family and to pursue a challenging career outside KSA. He takes our best wishes for success with him.

HSD—Cont.

Atlanta Falcon's "Late Hits Blitz." Don Grede is exploring the wilds of Lander, Wyo. for HCA while spending his spare time on Lakeshore and Huntsville. Marc Wall joined Fran and Joe Fowler, Virginia Lamb, Charlotte and Tom Branton and the Word Processing Department for some late-night efforts on the Morton F. Plant CON. Jean Snow is once again back in the fold with two HCA assignments in Kentucky. Frank McMillan continues to harvest the monthly ORU annuity with some help from Mike Fodor. And Beth Souther put some PR efforts in the revenue column with her efforts in Rockdale County and Newnan, Ga. Truly, HSD has become the KSA melting pot.

And where is Paul Flood while all this is going on? Well, try splitting his time between Morton F. Plant, Northside, Lakeshore, Kessler, Rockdale, Huntsville, Henry General and Johnston Willis . . . that is, when he's not beating the bushes looking for people to staff HSD jobs. Paul, it's evident why "VP" appears on your paycheck.

—Jim Wermert

Atlanta Office



Hinson



Hooper



Jones



Morris



Woodham

KSA extends a warm welcome to these new members of support staff.

Barbara Hinson became Administrative Assistant to *Ken Osborne, Don Burkhalter, John Caldwell* and *Mike Love*. Barbara comes to us with 17 years experience with Lutton-Warr, M.D.'s in Phenix City, Ala., as medical secretary and insurance supervisor. She also worked part-time with Medical Management Institute giving speeches at medical seminars.

Cheryl Jones is our new Library Clerk and will be working with *Gail Stahl* in Central Records. Cheryl is from Demorest, Ga. where, for the past year she worked at the Lanier Park Hospital in Gainesville. For the last nine months she worked in their medical records department as a health analyst, gaining valuable experience in records upkeep.

Kathy Hooper came to us from a secretarial post with American Data Services. Kathy is a Word Processing Operator in our WP Department.

Judy Morris is our new Word Processing Supervisor. Judy has a Business Administration degree in Management from Georgia State University and has worked with RTM, Inc. as Account Manager, and at Hazlehurst & Associates, Inc. as Office Manager.

Kathy Woodham is Administrative Assistant to *Joe Neal, Todd Barr, John Champion* and *Dwight Totten* in PD. Kathy holds a degree in Personnel Management from the University of Georgia. She has already proven to be a valuable addition to the PD team.

The following three ladies have changed positions within our Staff Support and we would like to wish them well.

Penelope Malone formerly worked with *Dave Cole* and more recently as Word Processing Supervisor. As a change of pace, Penelope decided to work in the capacity of Word Processing Editor, replacing *Cynthia Whitlow*. She did an excellent job as WP Supervisor and will be missed in that role, but she will be invaluable as the Editor.

Gail Stahl is taking on the task of the Atlanta Library with Technical Information and Central Records. Gail has been with KSA since April, 1980 and is well qualified for her new duties. She has a degree in Spanish and Library Science.

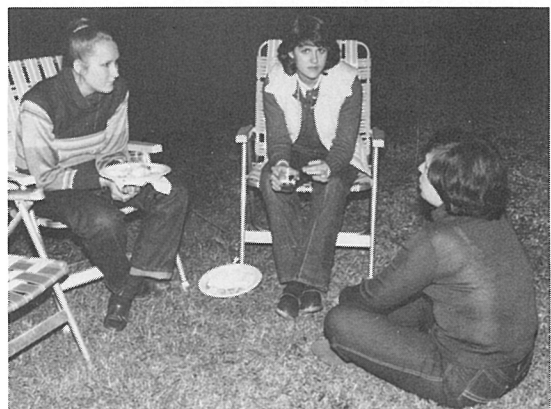
Denise Trostle is Administrative Assistant to *Dave Cole, Marc Wall* and *Doug Rogers* in MSD. Denise has been with us since July, working in PD. She has a degree in Letter Arts and Sciences and is a Certified Professional Secretary.

Nashville Office Cookout

Mary Jane and *Jerry Armfield* hosted a "bonfire cookout" featuring hot dogs, beer, witches and goblins October 10, with daughter, *Suzanne* supervising. Other KSA'ers in attendance were *Judy* and *Steve Bannister, Becky, Mike* and *Johnathan Waldrop, Lesley McClure, Linda, Butch* and *Lindsey Price*, as well as friends and neighbors of the Armfields. Jerry was even caught playing an impromptu "Foggy Mountain Breakdown" on his banjo!



STEVE BANNISTER in his foot-pump inflated portable sofa (raft? sleeping bag?)



BECKY WALDROP chose the grass for a seat while chatting with LESLEY McCLURE (center) and Leslie's friend.

Congratulations!

to *John and Diane Schleicher* on the birth of a daughter, *Kristine Marie*, on November 10.