

the KSA Observer

Volume 13, No. 1

Published by and for the personnel of Kurt Salmon Associates

Spring, 1982

In Textiles or Jewelry, Carding No Big Deal for KSA

by Torre Crupie

"If it comes in a box, we can handle it!" This claim accurately reflects KSA's new strategy in the diverse consumer products market. KSA's consulting skills, refined by over 45 years of apparel and textile engineering are well-suited (pun intended) for a variety of consumer products.

A recent example of this philosophy was demonstrated by a series of distribution assignments completed in May 1981 for Monet Jewelers, a division of General Mills. General Mills (1981 sales \$4.85 billion) owns KSA clients David Crystal, Lark Luggage, and Eddie Bauer, as well as potential clients like Parker Brothers Toys, Lionel Trains, and Foot-Joy Shoes.

Monet Jewelry, of Pawtucket, Rhode Island, is the leader of the costume jewelry market. With 1981 sales of approximately \$125 million, Monet is twice as large as its nearest

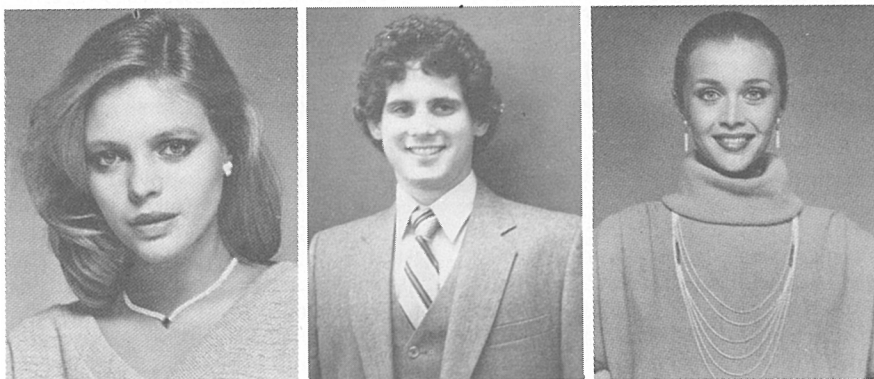
competitor. Monet's product line, which includes gold- or silver-plated earrings, chains, bracelets, and necklaces, has grown in recent years as women have substituted costume jewelry for gold jewelry.

Monet's involvement with KSA was

initiated in 1979 by Monet's personnel director, Arnold Kublin, who worked with *Dwight Totten* and *Pete Cleaveland* in 1973 while with Garland Corporation. Remembering the good work at Garland, Arnold

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Samples of Monet Jewelry and KSA Consultant



Evolution of the Observer

This issue marks another change in KSA's *Observer*, and it is appropriate to look back for a minute at its history. It started around 1949 as the KSA News, and every page of it was typed by hand, mimeographed (now called Xeroxed), stapled together, and mailed out along with occasional paychecks and memos from the boss. The lady who did the typing, stapling, mailing, and all the other odds-and-ends that are required to keep a lot of co-workers in touch with each other, was *Mary Baach*, Kurt's right-hand person. ("He insisted on doing the proofreading himself," Mary recalls, "but I double-checked him anyway.")

After 19 years (!) of typing the house organ, Mary's fingers began to hurt. It was either buy an electric typewriter, or try printing. Throwing caution to the winds, KSA elected

both options. Things have improved ever since.

The first issue of the *Observer* in its present format appeared in March, 1970. It was still compiled, edited, produced, and mailed by Mary in Washington. When that office closed a few years ago, Mary attempted to continue the job from her home in Indiana, but distance and time problems made it increasingly difficult for her to keep up with this growing and demanding task.

So after 31 years of faithfully keeping us informed about ourselves, Mary Baach has handed the task back to us. She leaves a really impressive collection of back issues for us to ponder and enjoy—as well as a challenge to do as good a job.

Thanks, Mary, we'll try. — JS



With this issue the *Observer* has a new publication team. Your friendly Personnel Department has been tapped to serve as "publisher," and our dynamite Communications group will act collectively as "editor."

It is going to take this team of folks to attempt to follow *Mary Baach's* one-woman act. As described in the article on page one, Mary nurtured this newsletter along for years and established it as a popular, informative and entertaining product. Picking it up at this point should be one of our more enjoyable tasks—especially if we can keep your ideas and contributions flowing.

The definition of the publisher's task includes the editorial policy, publication format and schedule, solicitation and review of material. (What I suspect this really means is that I will be scratching for stories

and pictures wherever I can get them while pretending that we are executing some grand editorial scheme.)

Needless to say, this is essentially a "funnel function" that depends entirely upon contributions from others. We can suggest, remind, and cajole, but the ultimate quality of the articles, photographs, and drawings depends upon what you submit and when you send it.

The "editor's" role will be played by the Communications Department. That group can work near miracles with awkward copy and limited budgets (or limited copy and awkward budgets). They have keen eyes for layout and typography. In redesigning the *Observer* format *Janice Ryer* brought in help from nother artistic talent, *Drew Sisselman*. We hope you like the result.

So we are off and running with this team on our first issue for 1982. Remember that you are part of the team. Everyone in KSA has a standing invitation to submit material for consideration. We are especially anxious to get good black-and-white photographs of your associates at work, at parties, at sporting events, or whatever.

Here are deadlines for the remaining 1982 issues:
 Summer.. May 25
 Fall.. August 25
 Christmas.. November 15

Don't wait for some dramatic and creative assignment from this office. Be alert to the stories around you, both visual and verbal. Literally and figuratively, you are the *Observer* and this newsletter is your vehicle. Hop aboard!
Cecil Phillips

Monet (cont'd)

recommended KSA's services to Monet management. This led to *Hal Wilson* and *Tony DeMaria* conducting a planning assignment to consolidate Monet's three carding and shipping departments into one modern distribution center. The assignment was carried out by adapting the same planning approach that we have developed and used for two decades in apparel distribution.

This success led to an eventful incentive installation, in Monet's carding department, staffed by the writer and supervised by Hal Wilson. Although a carding department sounds like a machine-filled room in a textile mill, in the jewelry industry it is a packaging operation which involves placing finished jewelry on or in pre-priced display cards, boxes, or bags. Either way, no problem.

As in the planning project, KSA had no direct experience with this product, but favorable results were achieved by applying the same methods improvement, time study, and follow-up procedures used for years in other packaging operations.

The incentive installation was highlighted by several memorable events, including:

- Rate sales and follow-up with a department of predominantly Portuguese-speaking employees. After the first day on standard, their English vocabulary expanded to include the phrase "I no like piece-work"
 - The installation of a comprehensive microcomputer payroll and cost reporting system.
 - A threat by one operator to cut off the staff man's curly locks if she did not like incentives! Fortunately, she proved to be a consistent 130% performer.
 - The engagement and wedding (after the project's completion) of the staff man.
 - Frequent visits by Hal Wilson and the writer to Pawtucket's famous Mama Spumoni's Restaurant for generous portions of the local delicacy, steamed clams and beer.
 - And, finally, productivity improvements totaling 45%, which are producing annual savings to Monet of over \$200,000 and increased annual earnings to Monet employees of over \$80,000.
- At the time of this writing, we have proposed extending incentive coverage to Monet's stocking picking and shipping departments, and anticipate continued association with General Mills. Look out Betty Crocker!



The KSA Observer

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Spring 1982

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Chairman's Corner

by Stig Kry

KSA came through 1981 in reasonably good shape. It was a difficult year for most businesses and indeed for the industries we serve. New business fell off significantly after a strong start. Backlogs of work sold earlier and reduction of expenses and capacity enabled us to protect the overall U.S. results reasonably well. This was achieved after a decision to pay bonuses nearly in line with last year's, and after increasing the company's contribution to the Target Benefit Plan.

In Europe, too, we had a fairly good year. We had reduced capacity in line with realistic volume projections and as the year progressed we benefited increasingly from our efforts to reduce fixed costs. At year's end we recorded a modest overall operating profit in Europe.

The fundamental economic conditions have remained unchanged for six to nine months. Economic activity is generally soft; interest rates and unemployment are high. The reduction in inflation is one of the few signs that the economic malaise of the Western economies is being cured. It is difficult to see a significant improvement in these conditions for the first six months of 1982. Much is related to interest rates which, in turn, are related to the projected deficit of the U.S. Government. These problems are being hotly discussed in Washington and we must all hope that a sensible compromise is achieved so that business and consumer confidence can be restored.

Under these prevailing conditions it's gratifying to note the strength of KSA's incoming business so far in 1982. In the U.S. we have a big first period and in Europe we are also off to a good start. No doubt there was some deferral of decision from the last part of 1981, but it is a pleasure to record new projects whenever they are finalized.

Coincidentally, we have just completed a fairly extensive reorganization of KSA-USA. It would be nice if we could attribute the pickup of business to that, but it will naturally take a little more time before the

benefits of these changes can be felt. All the same, we are confident that the changes made correspond to KSA's needs and opportunities in 1982, and for several years to come. They will produce a new impetus in both business development and in our continued efforts to improve the value of our services to our clients. We all have to concentrate on making implementation a success. It's my feeling that, from talking to various individuals and from what I see of new plans and approaches, we are well underway.

The strategy work in Europe is coming along very well, too, and at recent meetings I was much encouraged by the conclusion that, while the apparel industry is severely battered in Northern Europe, our potential for a bigger practice in apparel is very good indeed. Retailing, textiles and consumer products other than apparel are wide open to us as

our foothold in these industries is quite modest now.

In North America and Western Europe we are unquestionably vulnerable to a prolonged recession and particularly to a worsening of the economic climates. My own outlook is that we will have to struggle a bit to get through another six months of sluggish business. Once that period is past, we should be extremely well placed to capitalize on the turnaround in business, and, with our new organization fully in place, catch and sustain the new momentum that will develop.

We can take some pleasure in coming through 1981 as well as we did. We are off to a good start but remain vulnerable in the short run to the effects of the continuing recession. In the longer run, we can confidently be optimistic about the outlook for KSA in North America, Western Europe and internationally.



"I'm not sure, but it looks like the remains of some sort of matrix."

On The Software Trail

by Mark Schneider

Tampa is not a bad city for working on a project, but it's 8 p.m. and I'm trying to reconcile a production planning problem with five programmers speaking various Hindi dialects. This wasn't the picture Joe Irastorza painted of KSA's new software service.

It all started with a Berlitz course in Spanish... no, it really started with the advent of cheap micro-computers. Let's go back to that.

New Hardware and Software

As most everyone knows, in recent years the business computer has followed the rest of the silicone chip

family of electronic products in a pattern of successively lower prices, higher quality, and smaller size. This has meant that more and more medium sized apparel manufacturers have been able to afford a business computer. The problem comes in using this powerful new machine. Custom designing and programming a comprehensive system can cost upwards of \$100,000 and require one to two years for design, programming and implementation. What this means is that more and more apparel manufacturers can afford to buy computers, but few can afford to use them.

Enter the software houses. Some of these companies have spent several years designing and testing sets of programs written specifically for apparel manufacturers. These sets or packages typically include programs for order entry, production planning forecasting production/cut control, inventory control (finished goods and piece goods), raw material purchases and receipts, receivables, and other accounting functions.

These programs are generally written to be as adaptable as possible to the various manufacturing situations one may encounter such as different garment types, multiple overlapping seasons, or numerous subcontractors.

If a manufacturer can accept the constraints and discipline imposed by a package, or if he can adapt through some minor modifications, then there are substantial advantages in buying a package system. For an attractive price, a comprehensive system can be bought that can be used as soon as the hardware arrives. As the reliability, flexibility and comprehensiveness of these packages improve, many manufacturers are recognizing this as an attractive, cost justifiable alternative.

KSA's Role

With more and more manufacturers looking in this direction, KSA can provide some valuable assistance. Large manufacturers may have been moving toward this already and will have a data processing department; many of our medium sized and smaller clients will not. In the latter case, often there is only one person on the staff who has some familiarity with computers, and that person becomes the data processing department. It can prove somewhat difficult for that person to identify, evaluate, select, negotiate, and install one of these packages.

KSA has helped many clients develop software programs and, more significantly for the medium and small apparel companies, tailor software packages to suit their needs. KSA virtually can become the client's data processing department for the duration of the assignment: evaluating and selecting the best package, over-seeing the installation, and eas-

continued next page

From The President

by Jack Ullman

Two periods of 1982 are behind us, and we should comment on the outlook.

That's a tough order.

If we look at the economy it's difficult to see anything but negative signs. Nothing we read or hear and nothing our clients are experiencing except for a few, gives us any reason to hope for early improvement. Expectations that the economy will improve in the first or second quarter are being replaced by serious questioning as to whether it will improve at all in '82.

If we look at our sales the first two periods, we could form a totally opposite view and be downright euphoric. Periods 1 and 2 sales totalled \$3,719,000 or 145% of our accounting budget. And prospects remain strong.

But neither of these extremes is an acceptable basis for evaluating our outlook.

In 1981 we sold only 94% of what we billed, and backlogs shrank to 2.7 periods. Even with the splendid results of Periods 1 and 2, they rose to only 3.4 periods as of March 1. They must be at least five periods for KSA to perform without significant utilization losses. We had severe open time for many groups the end of last year, and it continued at least through Period 1. Despite strong sales, we are still operating below normal, and this will continue until

backlogs recover. So we dare not be complacent nor ease up our aggressive selling effort.

We have a conservative budget, up just 10% from 1981. We can be comfortably profitable if we meet that budget. We can have an outstanding year if continued sales development permits us to exceed it.

We've taken strong measures to hold our capacity in line with demand, and we're determined to hold that line until we see sustained sales performance outstripping our capacity to deliver.

Our new structure is designed to facilitate achieving our objectives with reduced interaction and increased external involvement. We are enthusiastic about the way *you've* received the changes and the way *you're* beginning to work through the new structure.

Yes, the economy is terrible! *But we can control our own performance* if we remain committed to our priorities. Right now each of us must focus on:

- Delivery of outstanding quality consulting
- Aggressively developing meaningful short-term business to continue rebuilding our backlogs.
- Then, we can shift our priorities to the longer term—implementing the plans being developed by our service and marketing groups.

ing the transition from a paper system to a computerized system. Joe Irastorza has done much of the work in this new area of software packages, and recently requested my able assistance in two installations.

Gullible's Travels

My inexperience with both hardware and software notwithstanding it was suggested that I do my first installation in a foreign language. I survived a two-week Berlitz course and nine short months later I was off to Mexico City. My language training did not include words like piece goods or microprocessors but I did know how to say "give me a cold beer" and "where is the bathroom." I figured the rest would come. It did. And the installation moved ahead. We did find it difficult to run a computer system in a part of the city where the power goes out several times a day, but it can be done. Living conditions in Mexico City were covered by *Rick Parsons* in a recent *Observer* article, but I would like to add three observations.

1. Montezuma's Revenge is a very effective way to lose weight.
2. Cab rides are not boring. During the summer the children are out of school and many of the cab drivers keep them in the back of their cabs. One morning on the way to work, the little girl in the back began to develop some difficulty keeping her breakfast

down. The cab driver, due to the immediacy of the situation, emptied his lunch bags onto the floor, and



Mark Schneider joined KSA in 1979 and the Control Service Group in 1980. Ever quick to adapt and learn, he can now pick the computer out of a line-up consisting of an IBM 360, a 10-speed blender, a female collie, and a plate of fettucini. He attributes his career success to his interpersonal skills and usually backs this up by flashing some signed testimonials from Holiday Inn maids encountered during a hospitality division project in Hattiesburg, Mississippi. Mark currently makes his home in his apartment and his hobbies include warming canned foods and killing houseplants.

passed them to the little girl who promptly filled them back up. It can take some of the glow out of the morning.

3. There is no difference between beef and leather. Lunch could have just as easily been made into a briefcase.

My experiences on the whole, though, were very positive, and so was the installation. The client is now up and running smoothly and looking forward to adding accounting functions.

This brings us to the current installation in Tampa, Florida. Many of the people here speak English; a factor in my favor. What is unique about this project is that a greater than usual amount of customization is required to make the package fit. To accomplish this, the software vendor has brought over five Asian programmers to make the necessary modifications to the system. (Coordinating this effort has required solving such problems as the programmers' approach to personal hygiene. They have a somewhat different approach than the U.S. standard, and many of the women working for the client find it difficult to work next to the programmers.) Nevertheless, now three months into the project things are running smoothly and another client is benefiting from KSA experience and leadership.

Life After KSA

As reported earlier, *Miss Virginia Jackson* retired from KSA after over 20 years of distinguished service handling administrative matters for the Greensboro office. She began



Mr. & Mrs. Thurston Smith, Doris Oakley

her association with KSA on a part-time basis doing typing for *Karl Striegel*, was promoted to a half-time job working out of the Striegels' basement, and then joined full-time as KSA moved into offices on Pasteur Drive.

Over the years "Miss J" made untold contributions to the development of our practice. Her steady, efficient manner was an inspiration to all of the KSA people who worked in the office during these years.

What should be reported now is that "Miss J" is no longer Miss J. On November 28, 1981, *Miss Virginia Jackson* became *Mrs. Thurston Smith*. After devoting many years to others

—first to her father, who was chancellor of the University of North Carolina at Greensboro, and then to KSA, *Miss J* decided to reorder her priorities. She and *Thurston* had been childhood sweethearts; *Thurston* had the good judgment to utilize some of her available time. The courtship flourished.

To celebrate the marriage, the Greensboro group honored the couple with a dinner just before the Christmas holidays. Attending were *Doris and Bill Oakley*, *Geneva and Bobby Joyce*, *Mary B. and Ron Chisenhall*, *Joyce and Lynn Spuhler*, *Edwin Owen*, *Margaret and Bob Malburg*, and *Gwen and John Wilcox*, who hosted the event.

The New York Marathon . . . A Winner's Story

by Jim Trautman

It was a beautiful October weekend in the Big Apple . . . and there was more than the usual amount of excitement in the air. Early Friday afternoon people from all over the world began arriving for the New York Marathon, the annual 26.2 mile race through five boroughs.

Of 40,000+ applications, only 16,000 were accepted. Twelve weeks before, having sent in an application "for fun," I'd had the surprise of my life—an acceptance letter. The past three months had been spent devouring every marathon article in sight, and secretly training like mad.

I joined a surprised Dave Cole and Ron Brockett—both veteran marathon runners—in New York late Friday evening. The next morning we spent 3 hours waiting in windy 40 degree weather just to fill out one last registration form and receive our participant's package. One of the goodies in the packet was the announcement of a free pasta party for all marathon runners. The wonderful ritual that runners euphemistically label "carbohydrate loading" is one of the few rewards for hard training, narrow escapes from mean dogs, sore muscles and bones, etc. The marathon organization had arranged to rent an armory on

"I managed to stay neck and neck with a professional boxer from Sweden for quite a while."

the upper east side of Manhattan and some 10,000 marathoners showed up to enjoy the festivities. The local pot-bellied army reservists served up thousands of pounds of the world's stickiest pasta which was transported from the kitchen to the armory floor on tote trucks that would rival the best designs from Tony DeMaria's distribution group. In addition to the pasta and bread, there were plenty of "fluid loading" supplies (beer and Perrier), and an Excedrin headache rock band to aid in digestion. After an hour or so of this we moved on to a second pasta course at an Italian East Side restaurant, *Il Vagabundo*.

After only a few hours' sleep on a very full tummy, I rose at 6 a.m. to dress, stretch and join Ron and Dave for the 7 a.m. bus ride to

Staten Island. The race wasn't to start until 10:30, and finding a way to kill three hours in the cold, conjured visions of the "hurry up and wait" mentality of the military.

In addition to the 16,000 runners, there were probably 150 newspapers and TV cameramen, eight helicopters and the Goodyear blimp. Alberto Salazar had predicted a new world record of 2 hours, 8 minutes, and 33 seconds, or 4:54 per mile for the 26.2 mile course; ABC had planned 2-½ hours of live coverage.

We waited so long for the start of the race that by the time 10:30 rolled around, it was almost anticlimatic, but the roar of the crowd shot new doses of adrenalin through our veins.

"Why can't you find a taxi when you really need one?"

The first leg of the race was up and over the Verrazano Narrows Bridge, and the thundering of some 30,000 footsteps made us forget about the cold and cross-winds. Running the New York Marathon gives one a tour of New York that is unobtainable at any price. Some 2,000,000 observers from each of the boroughs lined the streets eight to ten deep and shouted out inspirations in several languages.

Dave and Ron quickly left me back in the pack but "I managed to stay neck and neck with a professional boxer from Sweden for quite a while. The fact that Ingemar Johanssen is now 49 and fat seemed irrelevant at the time.

My second taste of glory was when I "broke the tape" at the halfway point of the race (the Pulaski Bridge into Queens) and simultaneously heard that Alberto Salazar had just finished in a new world record time of 2:08:13.

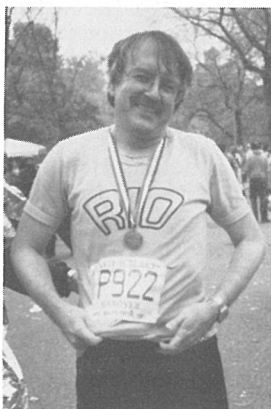
Now that the pressure of winning was officially over, I concentrated on survival. Queensborough Bridge, the 16-mile point into Manhattan, was a welcome sight and the run up

"Now that the pressure of winning was officially over, I concentrated on survival."

First Avenue was exhilarating. However, as marathon folklore goes, "the race just begins at mile 20." Coming down the bridge entering the South Bronx I twisted my knee in a pothole, and really "paid the price" for the rest of the race. (Why can't you find a taxi when you really need one?) I don't recall whether it was the cheers from or fears of the spectators in the South Bronx and Harlem but, needless to say I was motivated to keep going.

Hobbling back down into Manhattan from The Bronx was another uplifting point, and the sight of Central Park was heavenly. By the time I crossed the finish line, the TV cameras were off, the crowds had dispersed, and even Mayor Koch had gone on to bigger and better things.

Dave and Ron had finishing times of 3:48 and 4:14, respectively, and me? Well, Alberto Salazar finished dinner before I finished the race, . . . but in running a marathon, all finishers are winners.



Jim and medal



Charlene and Ron Brockett, Jim, Dave Cole and Robyn Pee.

Focus on: Cathy Deadwyler

When I was asked to write this article, I was a little skeptical as to whether or not I could give the readers their "money's worth." I have known Cathy for less than six months... hardly time to get to know what makes her "tick." But at our "coffee break" interview (Cathy rarely stays in one place for more than ten minutes) I found that she was an interesting and easy subject to interview.

At age sixteen Cathy worked for Six Flags Over Georgia and later Astroworld in Houston, for a total of three years, where she supervised and trained employees. While in high school she was interested in gymnastics. When asked why she chose not to continue with this and later try out for the Olympics, Cathy replied matter-of-factly, "I am NOT into pain."

Cathy may not be "into pain," but she certainly is an adventurous young woman. She has been involved in white water canoeing and rafting for about three years and has become skilled in these sports. She teaches white water canoeing in conjunction with the Outdoor Recreation-Georgia Tech Club.

She became interested in rock climbing several years ago and occasionally climbs at Sand Rock in Alabama, Tallulah Gorge in North Georgia and Glass Mountain in North Carolina.

In her spare (what?) time, Cathy refinishes and upholsters furniture and has an affinity for antiques. In fact, all of the furniture in her apartment with the exception of two pieces, was refinished or reupholstered by our "hammer and paint brush wielding" office manager!

Cathy's other interests include dancing and "socializing" with friends.

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Communicating . . .

Perhaps the most interesting development in the Communications Department recently has been the spate of consulting projects and proposals that have involved us in one way or another. In addition to continuing PR consulting work for hospital clients, we have put together 30-minute slide presentations for sales proposals delivered in Jamaica and Egypt, and bid on translating a marketing study on Italian giftware into a one-hour road show presentation.

KSA participated in two trade shows during the first quarter—the annual retailers' convention in New York, and Contexpo in Mexico City,

where Rob Brown and Jtm Trautman gave away the last of our Spanish-language brochures. *Adelante*, we'll print some more maybe . . .

New challenges abound. We are getting into aerobic semantics in our efforts to translate KSA's new service/marketing concepts into easy-to-read ads and brochures. Not so simple. The concepts are sound, but they may require coining some new words . . . Reporters all over the country seem to have decided that Bob Nahas is to designer jeans what old Ed Gibbon was to the Roman Empire . . . In the works: a new advertising campaign, a new corporate brochure, and a package of Profiles!

—JS

Coming Events

April 7-9

*Southeastern Hospital Conference,
Atlanta. KSA will exhibit.*

April 20-21

*HRD Seminar, NC State.
Ron Brockett.*

May 3-6

*International Hosiery Exposition,
Charlotte. KSA will exhibit.*

May 26

*KSA's Financial Breakfast,
Essex House, New York City.*

Random Recollections

Editor's Note: On occasion, the Observer will continue to include material originally written by Kurt Salmon for this column. The story of KSA's development remains fascinating.

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 his 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 liked 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 told me he had secured a former Montgomery Ward buyer for the job he had offered me."

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 a few years later 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.

The Dress Shirt Collar - Colonel Dickie of Williamson-Dickie in Fort Worth, Texas, figured prominently in an incident which occurred at the Tulane Shirt Company of New Orleans.

Tulane's work shirts were acknowledged to have the best looking collars of any made in the South. When we engineered the factory we discovered their 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 was visiting Tulane's president, Harry Bonck, his men were going to tour the factory and get the "low down" on that collar.

When Harry told me the story later I remonstrated with him and said: "Look, Harry, you folks spent a lot of time and money developing

"When we engineered the factory we discovered their secret..."

your collars and having us engineer them. Why should you be so willing to give all of this knowledge 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!"

And he was right. Neither the Colonel's company nor any other ever adopted Harry's collar-making methods, and Tulane's collars remained the best for years thereafter.

Birth of the Systems Division—We were 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

"Cecil Gillespie was currently engaged in bringing the Navy's accounting system into the 20th century."

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.

Deadwyler (cont'd)

Cathy attended Furman University for two years, and finished her accounting degree at the University of Georgia. According to Cathy, "I received my 'formal' education at Furman, and was indoctrinated in the fine art of 'beer drinking' at UGA!"

She joined the KSA "team" fresh out of college in September, 1978, as administrative assistant to the apparel engineering group.

She began her new position as Atlanta office manager in September, 1981, with anticipation and apprehension. According to Cathy, "I was quite frightened at the prospect of taking over this new responsibility. I wasn't sure that I could carry it off successfully. There were so many new things to learn and so little time in which to do it."

Cathy is respected in her new role because of her ability to extract the best from people and because of her administrative qualities. Also commanding respect is a certain wooden object displayed on her office wall.

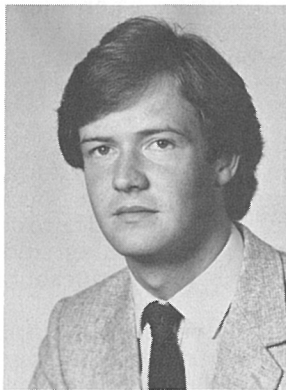
However she manages, she does it well. Congratulations! Keep up the good work! *by Barbara Hinson*

New Staff

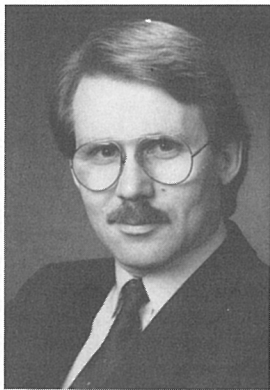
Martin Mueller... Age 23. Single. Joined the Retail Division on January 1st, 1982. Studied Economics at the Textilfachschule Nagold, business administration. Has 3 years retail experience as management assistant and as deputy manager of a department store. Enjoys wind surfing, skiing, squash, and motorcycling.

Wim H.G. Schijen... Age 37. Married, wife: Irene. Joined GM&M Division on January 1st, 1982. Studied at Economics College Hamburg. Apprenticeship and over 10 years practice in the Dutch and German retail business. Has 5.5 years experience as marketing consultant for the textile and apparel industries. Enjoys horseback riding and diving.

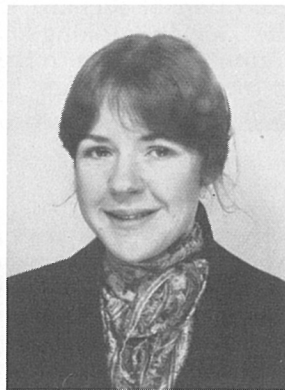
Elizabeth Sherratt... Age 21. Joined Systems Division as Computer programmer. Gained second class Honours degree in Geography from University College in Wales, in Aberstwyth. She is engaged to be married, and her hobbies include visiting sites of historical and archeological interest.



Mueller



Schijen



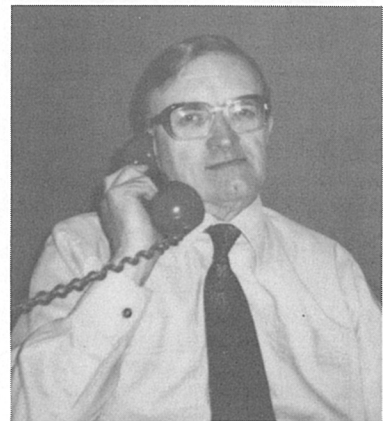
Sherratt

Ten Years With KSA

Andrea Isaacs and *Arthur Marshall* were presented with ten year watches recently at a dinner given in their honor.

Andrea is assistant to John Beddows and Mervyn Kerr and provides secretarial assistance to Arthur Marshall. She manages the Altrincham Office and still finds time to help Alan Braithwaite with his PR and marketing duties.

Arthur was, until recently, Financial Controller of KSA Europe. He is currently responsible for UK administration and also does some financial consulting.



UK... And Now, Breweries!

The New Year brings better prospects for the UK region than the previous two years. The substantial restructuring which was carried out in 1981 is starting to pay off, and our budget for 1982 is to achieve 12% pre-tax profit. Our 1981 results are still to be audited but it is very pleasing to report we will make a small profit despite the extremely difficult trade conditions.

These are busy times, with a stream of expertise flowing from the USA to support several projects. Recent visitors have included *Bob Saunders* to work with Mervyn Kerr on a strategy audit for Youghall Carpets; *Rudy Greer* to give *Jeff Wood* guidance in the development of our retail practice, an increasingly important business area; *Jerry Armfield* to enable us to get full benefit from his DuPont and Arrow work in a shirt sourcing

project for Carrington Viyella and *Bill Reed* to assist *Rod Gunston* in a productivity study in pantyhose for Courtaulds Hosiery. Travelling in the opposite direction have been *Douglas Hardie* and *Steve Webb* to work on microcomputer applications for shop-floor controls to be installed at Haywood.

The UK Strategy Audit which is nearly complete, thanks to some firm directions by *Dave Cole*, is showing the need for further transfer of USA expertise if UK is to offer a full service in strategy, operations, distribution and control to consumer products companies. We are expecting to finalize the audit recommendations in May.

Retail sales is one of the high spots of current activity, and we are embarking on some very interesting projects. Recent store productivity work for Hillards Supermarkets has now extended to studying the acti-

vities of the night shift (incidentally, this creates the opportunity to bill 80 hours per week if properly scheduled); Courage, a major brewery with over 2,000 pubs (outlets) has authorized a pilot study to make the retailing operation more effective (yes, the major investigation work consists of drinking half-pints of beer in as many pubs as possible); Razy, a small jeans wholesaler going into retail has asked us to show them how; we

continued next page

Training & Professional Development

by Bill Cameron

1981 ended with a flurry of activity in this department, the highlight of which was the Apparel Engineering Basics course conducted in early December for six members of the Korean apparel industry. We had a bit of a struggle with the language, but overall it was considered a success. Most important we feel that we made six friends in the Korean industry.

Between the holidays a functional cross-training seminar was held in New York for a number of consultants in the New York and Princeton area. This is part of our account executive training and featured sessions in strategy, cutting and material utilization, and computerized return-on-investment calculations. The keynote address was delivered

by Frank Armistead on "How to Sell Our Services—Professionally." Other presenters were Nort Eberly, Charles Topping, Bob Frazier, Jim Kirby, Dudley McIlhenny, Eric Cantor, Peter Brown, Peter Harding, Bea Alpert, and Scott Hodson.

Meanwhile, back in Atlanta, Ron Brockett was conducting another of his series on Leader Effectiveness Training (LET) for 21 people.

The January class for new consultants has just concluded with the graduation of Doug Brown, Richard Evans, Cheryl Hawkins, Tony Smith, and Ken Walker. All are already on assignment with the exception of Richard Evans from the U.K., who is taking some systems training. Tony Smith has returned to the U.K. for his first assignment.

Randy McAdams came in just after the January class and is now on a training assignment prior to coming back to the summer class.

Our external training schedule for the early part of the year consists of an Apparel Engineering Basics course the last two weeks of March. A Plant Managers' course is scheduled for April 19.

We have for some time enjoyed an international flavor in the external training programs, as we have welcomed students from Europe, South America, Central America, Puerto Rico, and the Philippines in the past. Now that Korea has been added to the list, and with inquiries from Australia and Jamaica, we are building on that international flavor and hope to have some interesting things to report to you in the next *Observer*.

New Staff



Cheryl Hawkins, Doug Brown, Ken Walker, Tony Smith, and Richard Evans

Cheryl L. Hawkins . . . Age 22. Single. BSIM, Georgia Tech. Interests: Golf, music, travel.

R. Douglas Brown (Doug) . . . Age 30, Wife, Karen. BS, Civil & Mechanical Engineering, U.S. Military Academy. Fluent in Spanish and French.

William K. Walker (Ken) . . . Age 32, Wife, Barbara. 2 children. BS in Industrial Administration, Iowa State. MS in Transportation, Florida Institute of Technology. Nine years U.S. Army. Interests: Racquetball, skiing, skin diving.

Anthony N. Smith (Tony) . . . Age 27, Wife, Gil. BSC, University of Birmingham (UK). Interests: Squash, tennis, carpentry, music and reading.

Richard F. Evans . . . Age 26, Wife, Heather. B.A., University of York (UK). Interests: Golf, photography.

UK (cont'd)

are also looking at store performance for Game Discount, a South African client who has asked us to do layout and merchandise location studies for new stores in Johannesburg and Capetown.

One aspect of our restructuring has been to concentrate all administrative and secretarial support into Altrincham Office, and we have had to say "au revoir" to Rowan Stracey, who was secretary to Harry Lack for four years. Happily, Rowan's leaving gift was also her wedding present and she takes our best wishes for her new career as Mrs. Ruff.

Stuart Hollander is now fully embarked on his new career at Vantona and became a client in four weeks flat. We trained him well! Just starting their careers at KSA UK are *Steve Norris*, who passed through Atlanta training and *Tony Smith* and *Richard Evans* who are on the current course. We are planning to have a recruit for our retail practice in the spring.

The heavy snows of winter did not affect our operations unduly. The major victim of the weather was Altrincham Office staff party.

As these notes are being written there is a hint of Spring in the air, our first period sales are to budget, and income projected for the first quarter looks to be also on budget—good omens for a successful 1982.

by John Beddows

Milestones

Steve Bannister's Tenth

New Seniors

Several staff members have recently earned the title "Senior Consultant." Advancing to this level in the past few months were: Peter Brown, Don Seymour, Peter Dubuisson, Tony Brooks, Tom Dennis, Don Grede, Jean Snow, and Rick Parsons.

Departures

Since the last issue of the *Observer*, the following people have separated from KSA: Laurey Millsbaugh, Janice Haynes, Keith Nelms, Gary Ratliff, Bill Snavey, Dwight Totten, Mickey Yount, and Yvonne Chambers. We wish them every success in their new careers.

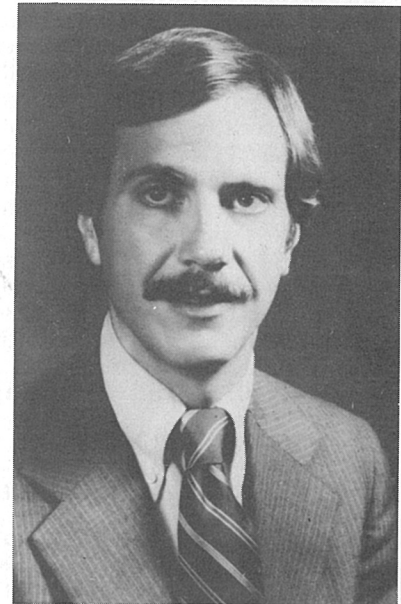
Pat Walker is on a leave of absence in order to pursue a master's degree at the University of Georgia.

Congratulations

- To Linda and Bruce Broadrick on the birth of a son, Blake Lamar, on January 11.
- To Fernando and Genie Silva on the birth of a son, Alexandre Laster, January 26.
- To Bernie and Kathleen Wolford on the birth of their son, Jordan, on March 15.
- To Dudley and Sydney McIlhenny on the birth of their daughter, Courtney, on March 11.
- To Dean Vought, elected as Vice Chairman of *acme, inc.*

Sympathy

Gloria (Mrs. Jack) Johnson's brother, Colonel Edward Cobb, was on the plane that crashed in the Potomac River on January 13. Colonel Cobb was with the U.S. Army Rapid Deployment Force... *Dean Vought's* brother, Jerry, died on February 6. Jerry was a KSA consultant for ten years, and recommended his younger brother for a summer job. He spent most of his career with Seminole Manufacturing Company in Columbus, Mississippi, and was a prominent member of AAMA's Technical Advisory Committee... *Mary Baach's* mother passed away on February 12 ... *Sandra Wheeler's* mother died March 10.



January 10 marked *Steve Bannister's* tenth anniversary with KSA. Steve is a 1968 graduate of the University of Illinois. We tried to convince him to join KSA at that time, but lost out to Ford Motor Company where Steve later won an award (cash and a car!) for a major cost savings recommendation.

Fortunately, Steve kept us in mind, and after two years with Ford and two more in the Army, he joined KSA. He began his KSA career with cutting/MU assignments at Hickey Freeman and Gant and moved into systems work during 1973. He became a principal in 1978.

It seems he has missed mining but that's about all. His clients include a wide variety of apparel firms, knitters, suppliers, retailers, mail order houses, domestic textile manufacturers and hospitals. In addition to systems work, Steve has participated in several GM&M and Distribution projects. He is also one of the few (only?) KSA consultants to have had two assignments in Hawaii!

After seven years as one of Princeton's eligible bachelors, Steve moved to the Nashville office in 1980. Shortly thereafter, he and Judith were married.

Congratulations, Steve, and best wishes for the next 10.

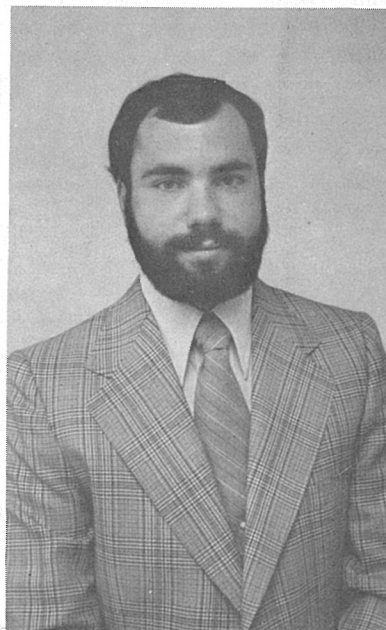
George Soffron Appointed Principal

Congratulations to George Soffron on his promotion to Principal, effective January 1, 1982. George joined KSA in September, 1974, after receiving his BSIE from the University of Massachusetts. He began his KSA career in MMD working primarily with manufacturers of men's tailored clothing. In 1979 George started his transition into systems work as he staffed both the engineering and systems segments of the William Carter Company project.

Combining his experience in MMD and Systems, George has an exceptionally strong background in factory systems, including shop loading and balancing, work-in-process control, payroll and cost control. His past and current clients include Greif & Company, David S. Reid, Jaymar-Ruby, JTR, Kellwood and Manhattan Industries.

George is now assigned to the Systems group on a full-time basis

and works out of the Princeton office. He and his wife Andrea reside in Titusville, New Jersey.



Health Services Division

Health Services Division has added some new faces to the "core" group. *Mark Foreste* joined HSD in November, after working for KSA on various assignments in Operations for two and one-half years. Also new to HSD is *Craig Thornton*, who has been with KSA over five years. Previously in operations, Craig has experience in mining, hosiery, knit and basic textiles in Georgia, Alabama and Mexico. Mark spent a few days at a rehabilitation hospital in Alabama learning Hospital terminology, and Craig has been getting his orientation in a Tennessee hospital. With the jobs recently sold (including a favorite client in Tulsa) learning

hospitalase in a hurry has become even more essential.

Speaking of learning quickly, last year *Tony Brooks*, *Don Grede* and *Jean Snow* found themselves "on loan" to HSD to complete Certificates of Need for hospitals in Wyoming, Louisiana, and Kentucky, respectively. *Marc Wall* thought he was lucky drawing a CON in Florida, but found that the only time he had for the beach was when the moon was high in the sky.

Many KSAers have received on-the-job training in the health care industry. *Bob King* and *Mark Schneider* became involved in Certificates of Need while *Rob Brown* helped

by *Charlotte Branton*

with a facility design for a local hospital. *Dave Reilly* had just reported to work in GM&M when he received his assignment to assist in a planning strategy for a hospital in Tennessee. Even *Ron Brockett* found some of his HRD work was in the health care industry. Of course, *Frank McMillan* continued in his role as systems specialist in Oklahoma, taking *Mike Fodor* and *Bill Chamberlain* with him on occasion.

Thanks to the help and availability of the "loaners," HSD had a successful 1981. We want to publicly thank these (and others if I missed them) and hope many of you will return for additional assignments in 1982.

New Atlanta Office Staff

Sandra Wheeler replaces *Charlotte Branton* as administrative assistant to the Health Services Division. She comes to us from the Bank Building Corporation, where she prepared financial reports, processed contracts, coordinated conventions, and assisted nine field consultants and six in-house managers. Sandra is already proving to be a valuable addition to HSD.

Denise Dickson, is administrative assistant to *Don Grede*, *Tony Brooks*, *Jim Kirby*, *Jim Wermert* and *Cathy Deadwyler*, and is responsible for the KSA apartment. Denise has a degree in marketing from the University of Georgia, and worked with the Atlanta Hawks for three months before joining us.

Beverly Barnes will assist *Freddie Wood*, *Fred Evans*, *Gerry Turbyfill*, *Lutz Kohnagel* and *David Baltimore*. Beverly moved to Atlanta from Miami after nine years with Florida Power and Light, where she worked for 25 draftsmen. She plans to complete her CPS this year.



Dickson, Wheeler and Barnes

A KSA Halloween



Bill (Legs) Williams, Tim (Flash) Brown, Steve (Luciano) Schlehuser, Doug (Dracula) Sherwood, and two whose costumes for Mike Brent's Halloween party proved impenetrable!
