

# the KSA Observer

Volume 15, No. 1

Published by and for the personnel of Kurt Salmon Associates

Spring, 1984

## Health Services Division Writes Rx for Success

In recent weeks the media has focused on Americans' increasing alarm as hospital costs soar and doctors' fees increase. The AMA has asked physicians to freeze their fees, and hospitals are considering reduced room rates and shorter patient stay. One patient who was being released from a Nashville hospital thought that a decimal point had been omitted from his bill. When he was told the bill was correct, he became ill and had to be readmitted.

As the government attempts to regulate health care costs, health care managers are realizing that to be successful, they must search for ways to provide quality health care at an affordable cost. KSA and *Barry Moore*, KSA's new Health Services Division Manager, are putting major resources behind this effort.

Barry has plenty of experience writing prescriptions for success. As a managing partner for Touche Ross consulting operations in Philadelphia and Atlanta, Barry expanded those practices significantly into health care, retail and banking. In addition, he headed Touche Ross's national operations policy committee. Most recently, he helped make Cable Atlanta's bottom line healthy. He is a certified management consultant and a certified public accountant.

A native of Ayden, NC, Barry received his IM degree from Georgia Tech. He and his wife, *Carole*, live with their three children, *Andrew*, *Cindy*, and *Tammy*, in North Atlanta.

In his residency at KSA since January 3, Barry has already reached into his doctor's bag for innovative cures. Currently, he is writing a request for a grant for a national demonstration project in health care productivity with Morehouse Medical School in Atlanta.

Barry believes that problems facing  
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## Sourcing Breakfast a Record Breaker

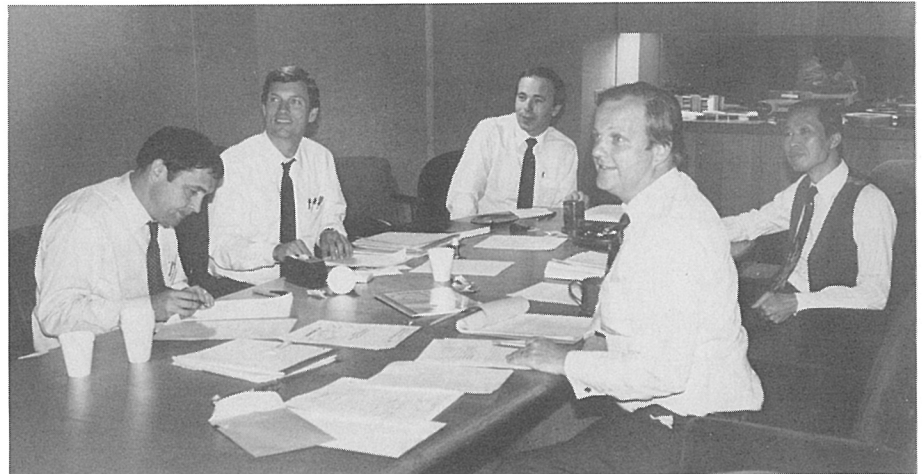
KSA's Second Annual Sourcing Breakfast was held April 3rd in New York City's Grand Hyatt Hotel, and it set some nice records: over 300 people attended; 270 tickets sold at \$100 per; the most impressive attendance list we've ever published; nobody walked out before the end. The only sour notes concerned the temperature of the eggs (tepid) and the enforced absence of one speaker (*Jim Trautman*.)

Sourcing is obviously the most compelling subject today for all sectors of the soft goods chain. Almost 30% of the audience consisted of

for it. Everybody's come a long way since, including KSA.

This year's event featured informative reports on trends and current conditions in three major sourcing regions - Far East (*Paul Tsang*); 807 Caribbean (*Richard Lusk*); U.S. manufacturing and contracting (*Jerry Armfield*).

*Peter Harding* put it all together and showed how two different types of companies (men's shirts and women's sportswear) might use the information to develop new sourcing mixes. *Bob Frazier* served as moderator, and passed along some high-



**"Who says it's 74.6% . . . ?"** At 9pm the night before, sourcing speakers get their act together. Clockwise around the table: *Armfield*, *Lusk*, *Harding*, *Tsang*, *Frazier*. Not shown: *Jill Steinberg*, entering the penultimate reservation with one hand while typing material for 11,700 pages of hand-out stuff, all personally xeroxed by *Fred King*.

suppliers of fibers, fabrics, equipment, trimmings, and money. The balance included about 60% apparel firms and a mixture of footwear, fashion accessories, and retailing people.

Our first breakfast on the subject last year attracted about 160 people, and we approached it with some diffidence, spending a lot of time explaining just what sourcing is, and why it's good to have a strategy

lights of manufacturer and retailer surveys conducted for this event.

### Lots of Facts.

They revealed that 62 apparel firms, with total sales of over \$5.8 billion in 1983, obtained 78% of their merchandise from U.S. facilities last year. The same companies expect to shift 4% of their sourcing

*cont'd on p. 2*

# Chairman's Corner

by Stig Kry

This message is brief and it's upbeat. In the last two periods of 1983, KSA did very well in the U.S. and in Europe. Our year-end gross profit became significantly better than projected. We were therefore able to allocate more to the U.S. bonus pool and we were left with a better corporate bottom line than anticipated.

Our U.S. sales position continued to strengthen throughout last year and capacity utilization improved dramatically. In Germany too, we started slowly but performed close to budget by year-end. The U.K., with a sensational net profit contribution of 17%, made an impressive contribution to KSA's total net profit. What's even more encouraging is that the momentum of our business continues to be strong everywhere, except in Spain where the economy has not yet started to recover.

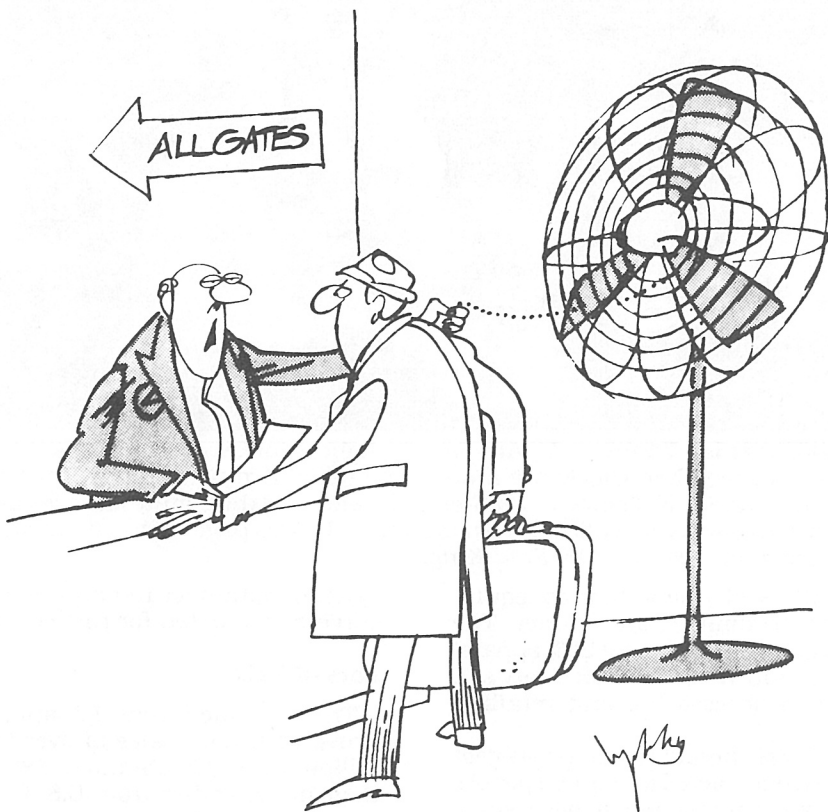
For the first two periods of 1984, fee income should be about on budget in the U.S. and a bit above in

Europe, and the underlying sales trend remains strong.

It would appear that the strategy adjustments and organizational adaptations of the last two years are paying off, greatly aided by the improving economies in our major markets. While we cannot divorce ourselves from the vagaries of future movements in the general economy, KSA is now better positioned for a period of strong growth and profit performance than has been the case for several years.

To take one year at a time, it is quite clear that in 1984, KSA has the opportunity for a good year — maybe a record year. The business is there, we must go after it, deliver first-rate work, and minimize losses on overruns and open time. We all have important contributions to make to those objectives, and we will all share in the results.

Thanks to all for a fine finish in 1983. Let's keep going!



*"Your flight leaves in 45 seconds. I'd suggest you run for it... we'll give you a tail wind."*

**Breakfast** *cont'd from p. 1*  
away from the U.S. in 1984, with the largest increase going to 807 operations in the Caribbean and Mexico (+27.5%) and to the Far East (+12.6%).


Direct importing by retailers last year was estimated to cover 8% of all apparel purchases by U.S. consumers, according to another survey co-sponsored by KSA and Apparel Merchandising Magazine. Both the manufacturers and retailers surveyed expect to see shifts away from Hong Kong and Korean sources in the next three years, with gains predicted for China, Europe, and the U.S. Delivery problems were cited as the most worrisome by survey respondents, with quota fluctuations ranked second.

Copies of the full survey tabulations and speeches are available in all offices. If you can't find one, call the Communications Dept.

### Take a Bow.

Most rewarding of all was the knowledge that CEO's and key executives from so many of the largest companies in our markets were willing to get up so early to have breakfast with KSA.

A lot of people in this far-flung company don't often get the chance to breakfast on egg mcmuffin in a New York hotel (where they serve it cold with crossants and charge five times what it costs in Anniston.) But they all should know that the hard facts they help to develop out in the field occasionally have an after-life as a 16-foot slide projection—and help us draw quality audiences to these events. Take a bow!

 <b>The KSA Observer</b>
Publisher <i>Bill Cameron</i>
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<small>The KSA Observer is published quarterly by Kurt Salmon Associates, 400 Colony Square, Atlanta, Georgia 30361, (404) 892-0321, solely for the use of its employees. It is not intended for general distribution.</small>

## Distribution

### Aloha From Hawaii

Duty Free Shoppers, Ltd. (DFS) is the largest duty free retailer in the world and the largest retailer in Hawaii. DFS has operations in San Francisco, Los Angeles, Anchorage, New York, Boston, Hong Kong, Singapore, Guam, and Saipan.

In January, 1983, *Jim Giddings* and *Pete Cleaveland* conducted a distribution diagnostic study for DFS and proposed a productivity improvement implementation project with projected costs of \$340,000 and savings of \$350,000 per year. We won the project over a low-cost competitor due to a single factor: *client confidence*.

The success of DFS is due to two well-thought out and implemented strategies:

- The nature of the duty free business itself. It is a bargain to buy merchandise that is free of duty and taxes.
- Targeting its marketing toward the Japanese tourist, the world's highest spending tourist.

The company, by taking full advantage of the benefits of duty free merchandise and good merchandising and management, is able to sustain mark-ups that would make other retailers sick. At the same time, they are able to offer the highest quality merchandise at bargain prices compared to what the Japanese would have to pay in Japan.

What does this mean to the bottom line? While the company's financial details are confidential, I can tell you that they are impressive. As an indication, consider their sales per square foot per year figure. A good retailer will shoot to achieve a figure of \$200 per square foot per year. Duty Free's Waikiki shop beats that by *more than a factor of 30!*

### The Project

Our objective was to increase productivity in three different warehouses and in the airport operations. Duty Free's distribution operations serve four primary functions for the company:

1. Control the flow of all merchandise on-island.
2. Replenish store inventories, both duty free and duty paid.
3. For jewelry, watches, leather, etc.—receive purchased items from shops,

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### Cluett Has Secret Weapon Against Imports . . . KSA!

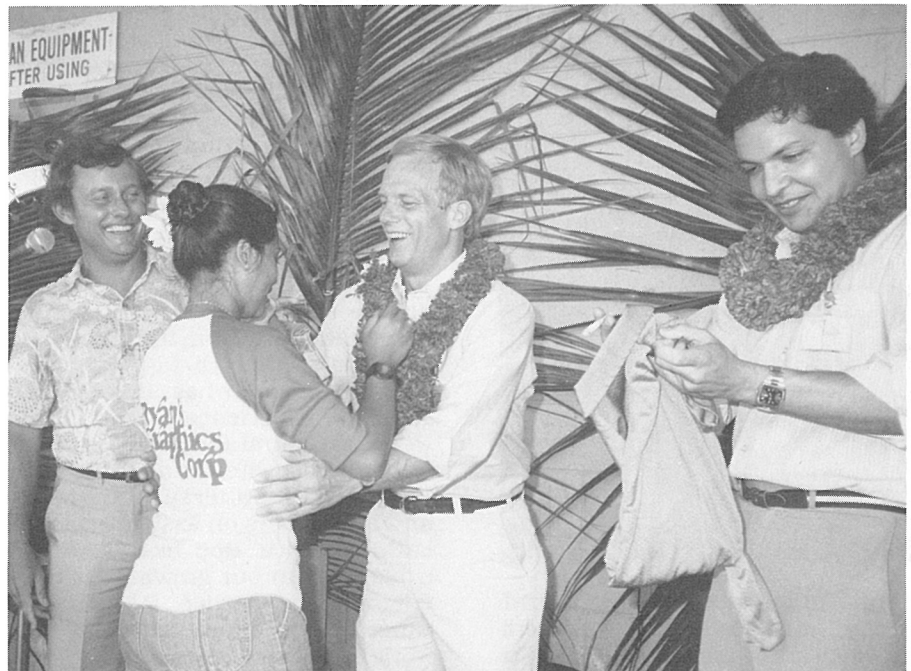
We are all aware of the difficulty of trying to compete with overseas manufacturing. Many of us have been directly involved with projects whose underlying purpose is to make American manufacturing a more profitable alternative. One outstanding example of commitment to U.S. manufacturing is Cluett, Peabody & Co., Inc. Over the last four years, KSA and Cluett have been working together in all aspects of manufacturing to make their domestic production competitive with the Far East.

Cluett, Peabody has invested an impressive fifteen million dollars to overhaul all areas of its production from cutting through sewing and finishing. Whereas a normal investment for reengineering might run \$1000 per production operator, Cluett's investment is four times that amount. From this investment they are anticipating a 36% increase in productivity.

Naturally, such a large undertaking has called upon the talents of many of KSA's finest. *Tom Gibson* began with SRE in an Arrow facility in Bremen, Georgia, in 1980. Later, he moved on to continue work with Cluett in Enterprise, Alabama, and

was joined by *Greg Murphy* who did an AAMT program. Soon after, cutting room engineering was begun by *John Schleiser* and *Sergio Cruz* in Cluett's Andalusia, Alabama location. In 1981, a Cluett sourcing study was conducted by *Peter Harding*, *Butch Price*, *Jack Ullman* and *Jerry Armfield* which resulted in the closing of some northern manufacturing facilities and the recommendation to completely reengineer six more southeastern facilities to replace their output. Somewhere in the midst of all this, *Rob Brown* found time to do an SQC/Supervisory Training program. Currently, *Steve Cain* is finishing SRE in Andalusia, Alabama, *Steve Smith* is in Jasper, Alabama, *Rebecca Correll* is in Atlanta, and *Lesley McClure* is in Albertville, Alabama. In addition to the substantial KSA involvement, Cluett is using fifteen of their in-house engineering staff and a large number of support personnel for the project.

All told, Cluett anticipates savings from all the plants of approximately 11.2 million dollars per year. For KSA, this has meant 1.5 million dollars in billings since 1980 — which just goes to show, there are all kinds of productivity! — *Lesley McClure*



Hawaiian style project start-up! Duty Free's *Dianne Ho* presents Hawaiian lei to *Pete Cleaveland* as *Roberto Bequillard* inspects his Duty Free Shopper's shirt for sewing defects. *Richard Hunter*, DFS president, enjoys the show.

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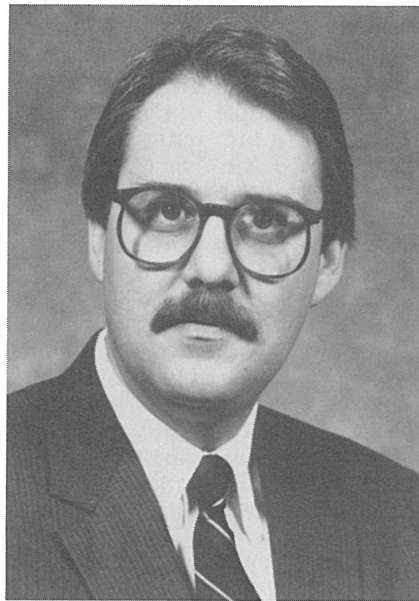
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## New Principals

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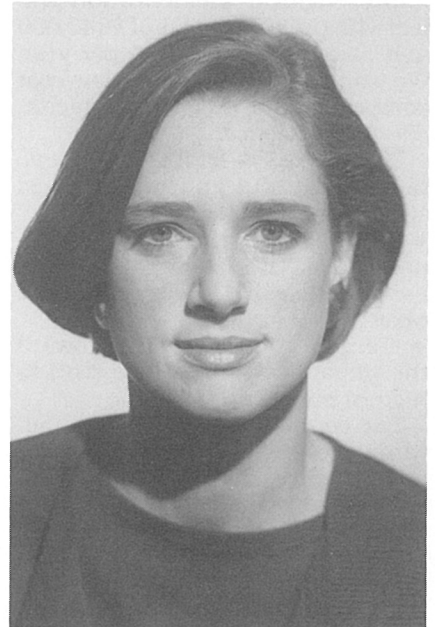
### Mike Baird

Mike joined KSA after receiving his BGS degree in experimental psychology and computer science and an MSIE, both from Ohio University. His extensive and successful work has carried him from locations as diverse as Cheraw, South Carolina, to the battlefields of Northern Ireland. Mike has broad product exposure and has worked in many sectors within the personal consumer products industry. Among Mike's many successful engagements is our first major engineering project for Levi Strauss in 1979. He recently completed a highly successful donkenny engineering project in Blacksburg, Virginia. Mike and his wife, *Carol*, live in Greensboro, where Mike is based. He is a member of the Operations Group.



### Jill Greenwood

Jill joined our firm as a summer intern with prior experience in retailing and apparel merchandising. She received a BA in art history from Stanford and an MBA from Harvard Business School. Jill's background in women's wear merchandising and



retailing brought special skills to our practice. She has used these skills in developing a product line

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### Peter Brown

Peter received his engineering degree from the U.S. Naval Academy and joined KSA after a tour of duty in the Navy. Peter has experience in a wide variety of consulting projects. His initial experience was in Opera-



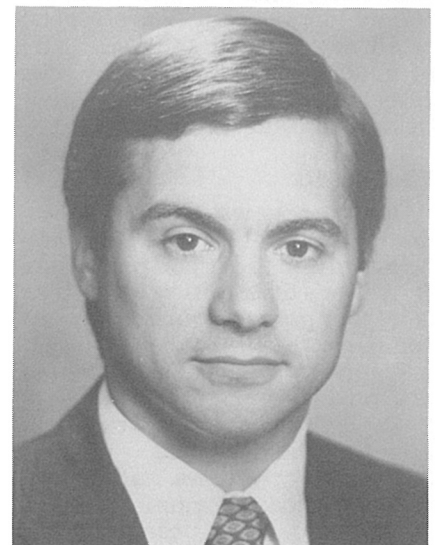
tions. He then moved to the Control Group and conducted major projects for Healthtex and other clients. In recent years Peter has been involved in assignments in product/market strategy, business strategy and organization development. He has assisted

a wide variety of U.S. clients including Jaymar Ruby, Moyer, Carters, as well as a number of Canadian companies. Peter currently is managing a major strategy project for Greenwood Mills in addition to participating in projects for a number of other clients. His broad background, functional experience and strong implementation orientation has equipped him well to contribute to the development of our strategy practice. Peter resides in Manhattan and is a member of the New York Strategy Group.

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### Rob Brown

Rob is a consultant with highly diverse experience. He joined KSA after graduating from the University of Georgia with a BS in psychology and chemistry. He has since gained extensive experience in the U.S. as well as in Central and South America. He and his wife, *Ann*, settled in Atlanta in 1982 after spending three and a half years on assignments in Latin America. Rob has extensive experience in our growing fashion engineering practice. He has advanced the state-of-the-art of our work in the footwear industry. Rob is currently involved with major implementation assignments in the U.S., Jamaica and Puerto Rico. He is a member of the Operations Group.



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management service, *PLM*, for fashion manufacturers and in establishing KSA in the fashion segment of the apparel industry through her task as marketing manager for that segment of the practice. She has worked on strategy, marketing and PLM assignments for a wide variety of clients including Aileen, M. Lowenstein, AMF, YSL, Levi Strauss, and Colgate. She is currently participating on a major strategy assignment for Kayser-Roth. Jill and her husband, *Augustus Du Pont*, reside in Manhattan. She is a member of the New York Strategy Group.

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## Joe Neal

Joe came to KSA via the U.S. Naval Academy where he served four years as a Naval Officer and four years as a Special Agent with the Naval Investigation Service.



On completion of his initial training he immediately took over our first retail Base Plus™ project at K. Wolens in Corsicana, Texas, and turned it into a major success. He then became a Senior On-Site Consultant at Dillard's department stores in Dallas which resulted in that leading organization becoming a major and firm supporter of KSA's Base Plus expertise.

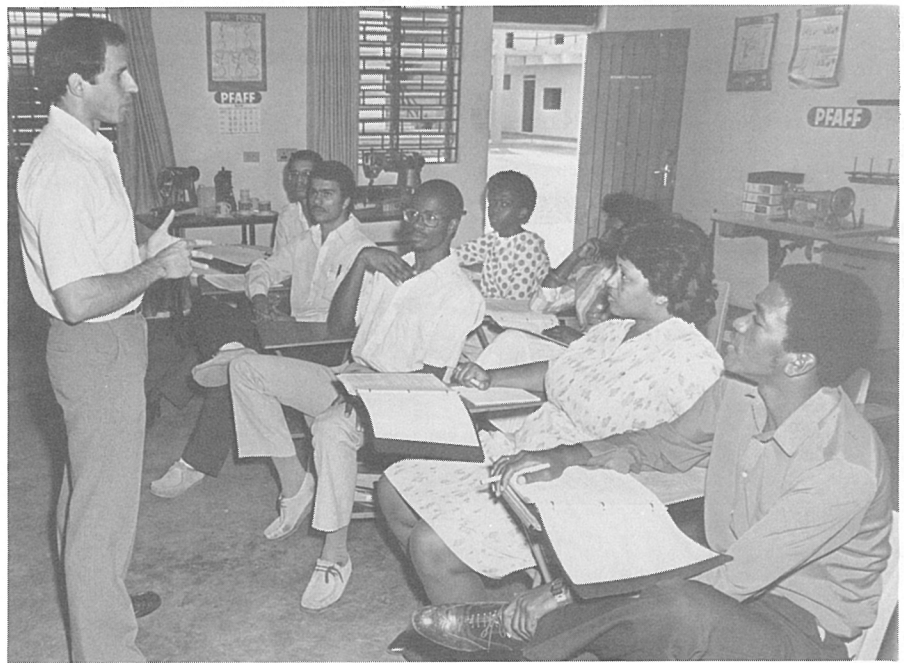
Joe subsequently directed three major Base Plus installations inclu-

ding Vanco Distributors (Adidas), Newmans Mercantile Corporation and Venture Stores. He also has participated in facility design projects including Lillian Vernon and Oxford Shirts. He was the key consultant in the recent major Izod Ltd. Distribution Strategy and Configuration Study.

Joe is a member of our Atlanta Distribution Group. Joe and his wife, *Carol*, and their daughters, *Diedre* and *Meagan*, are residents of Atlanta. Joe and Carol are one of the country's very few husband-wife triathlon teams.

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## KSA-Jamaica



*Doug Brown* conducts a training class for recruits to the Jamaica Technical Advisory Group. The training course is being conducted over a nine-week period by KSA. The first six-weeks of training will be conducted in Jamaica while the final three weeks will be held at KSA-Atlanta. While in the U.S., the students will receive in-plant training in appropriate apparel and footwear factories. This is the third training class that KSA has conducted for JATAG.

## Doug Brown Promoted

KSA recently named *Doug Brown* Consulting Programme Coordinator for all projects undertaken in Jamaica. In making the announcement, *Dean Vought* noted that "Doug, with his broad experience in engineering

## A Message From Dept. T:

The next time your Time Records, Expense Reports, Job Tickets, etc. are due, remember the following words of wisdom:

**Better three hours too soon than a minute too late.**

— *William Shakespeare*  
(cohort of *William Beckemeyer*)

Dept. T thanks *Jim Trautman* for forwarding the above quotation to us. It is gratifying to know that financial reporting is always on Jim's mind, regardless of what he is reading. Unfortunately, the rules of decorum prevent us from printing the quotation Jim clipped out from the latest issue of *Playboy*.

banking, and consulting, is uniquely qualified to assume this responsibility for KSA in Jamaica. We feel fortunate to have someone of his calibre and commitment to Jamaica on our team there."

## Furniture Consultant Cushions Comments

Winning the KSA Endurance Test for 1984, *Ed Rader* presented three all-day workshops on fabric utilization for furniture manufacturers in Hickory, High Point, and Tupelo for plant engineers.

Sponsored by the American Furniture Manufacturers Association (AFMA), the series of seminars was the first event to be held since the National Association of Furniture Manufacturers (NAFM) and the Southern Furniture Manufacturers Association (SFMA) merged.

Speaking for 6 hours, Ed used 160 slides and distributed reprints on inspection standards and forms for material requisition, fabric cutting, fabric consumption reports, records, recuts, etc. The challenge in preparing the workshop was to keep the material general enough for the many levels of furniture manufacturers represented, yet to make it specific enough to give attendees plans they could immediately implement in the plant.

Project preparation spanned three months. The presentation has many sections which can be adapted to other KSA needs such as cutting room discussions. It is available for viewing in the Atlanta office.

### A Cushy Job...



Left to right: *Ed Rader*, Parklane Controller Tommy Green, and Supervisors Jim Spooner and Henry Butler.

## Laws of Life

### The Law of Storage

The average time from throwing something away and needing it badly is two weeks. This time can be reduced to one week by retaining the thing for a long time first.

### The Publication Premise

The probability of anyone reviewing a document in full diminishes with the number of pages.

### The Executive's Axiom

Never say you don't know - nod wisely, leave calmly, then run like hell and find an expert.

### Law of the Lazy

Assumption is the Mother of all foul ups.

### The Road Motel Axiom

No matter how many rooms there are in the motel, the fellow who starts up his car at five o'clock in the morning is always parked under *your* window.

### The Rule of the Streetwise

The middle of the road is the best place to get run over.

## Gimme yer Base, Plus

One of KSA's distribution consultants recently had all four hubcaps stolen off his car while it was parked at a client's plant. This theft poses some interesting questions, i.e.,

1. Was the client attempting to get more value for his consulting dollar?
2. Should this be interpreted as a warning that the consultant is not welcome on the client's premises?
3. Did management imply to workers that the consultant's hubcaps were to be the "Plus" part of the Base Plus™ program?



4. Should *Bill Beckemeyer* require the consultant to take MARTA (Metropolitan Atlanta Rapid Transit Authority) for all future client visits, thereby avoiding an increase in KSA's insurance premiums?

During the same period, an HRD consultant's car battery was stolen while his car was parked at the Atlanta airport. Local authorities are at this time assuming the two thefts are unrelated and not part of a nationwide plot between clients and KSA spouses to keep consultants in the KSA office.

- *Penelope Malone*

## Aloha

cont'd from p. 3

hold, and deliver to the customer at departure gate.

4. For liquor, perfume, tobacco, and cosmetics—fill orders, pack and either deliver to the customer at the gate or bellyload them in the plane.

The warehouse processes an average of 3,500 orders a day. Peak activity occurs during Shogatsu (Japanese New Year) when volume is more than 10,000 orders per day.

## Improvements

The improvements that have been achieved have ranged from the simple: improved methods for price marking merchandise; to the complex: the development of a staff scheduling model for the flightline delivery function. One of the most significant improvements came from rescheduling an entire shift. Previously this shift had started at 6:30 pm. During the program we moved the starting time to 10:30 pm. This allowed the reorganization of all of the controls and functions performed by this shift.

In addition to paperwork controls, scheduling and methods improvements, we have redesigned all three warehouses to achieve improved control and flow of merchandise.

## Results to Date

In the first warehouse we completed, productivity has been increased by 24%. In the second warehouse, where we are only about 30% complete, productivity is already up by more than 20%. Annualized savings are already above the level we had projected in the diagnostic.

## Innovations

Probably the most significant new approach used in this project was Jim Gidding's idea of developing a Project Advisory Committee (PAC). Here is how this worked on the Duty Free project: First, the committee members were selected. For this project the following were involved: Jim Giddings (Chairman), *Tony DeMaria*, *Ed Rader*, and *Todd Barr*. Second, the operations for review by the PAC were videotaped. Third, the committee met. During the meeting, Pete Cleaveland reviewed and explained the operations on the videotape and added background information on Duty Free Shoppers' business. The

cont'd on p. 9

## Focus on: John Beddows Training for the "Real Job"

John Beddows has a secret desire to manage a professional soccer club. If, as it is said, the key requirement for a successful football manager is his ability to select and develop the right people, and then organize and motivate them into a winning team, John qualifies for the job.

Beginning in 1974, John developed the operations group into a strong and profitable mainstay of the UK practice.

By 1978, he was running the UK Apparel Division which accounted for around 85% of our business. He was appointed Vice President that year.

In 1981, John took over as Managing Director of the UK region which now employs around 18 professionals and has an annual fee income of \$1.7 million.

This year he was appointed to the Board as Europe's representative. The three European regions (Germany, Spain and UK) employ approximately 45 professionals. Like the USA company, they have embarked on a new strategy. Prospects for real growth and development of business in other industries look stronger than they have for several years.

Prior to 1974, John spent several years in the United States in places like McRae (he claims to be one of the last trainees through McRae), Nashville, and Brantford, Ontario. John became an expert in AAMT and gave the local Nashville soccer club the benefit of his considerable skills.

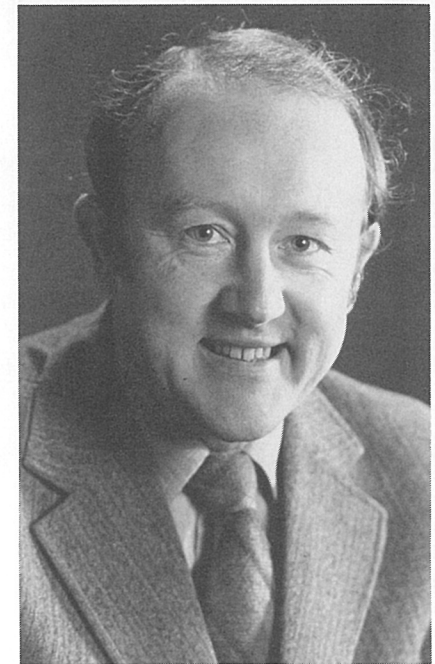
In 1968, he returned to the UK and undertook some highly successful operator training and engineering assignments for major apparel companies in England, Wales, Scotland and Northern Ireland. Many remain his clients today.

In 1970, he was promoted to Principal and started supervising projects on the 'front line' in Northern Ireland. By 1971, John was working in Southern Ireland and learning to cope with smaller companies and a slower pace of life. He adjusted to this so well that he was appointed Irish Area Manager in 1972. There were two main channels of communication to reach him during this period. One was by telephone from our office in the centre of Dublin; the other from a telephone box about 400 yards from John's

home in the suburbs of Dublin. (There was a two year waiting list for telephone installations at the time—all part of learning to cope with the slower pace of life!)

John joined KSA in March, 1966, with an honours degree in Natural Sciences from Cambridge University and management experience gained at Head Wrightson, a chemical plant manufacturer.

John and his wife *Connie* make their home in Stockton in Northeast England, about two hours drive from our office in Cheshire, (about the same as living at Lake Lanier and driving to Colony Square through



the rush hour Atlanta traffic). Daughter *Sarah*, 18, is a student at Edinburgh University and is an accomplished athlete; *Emma* 11, makes the best popcorn east of the Loew's Sixplex on Coney Island.

When he is not busy developing business, managing the UK company, helping *Alberto* in Spain, and making weekly visits to the shirt projects in Northern Ireland, John plays golf and squash. He complains that there is too little time for golf and his game is deteriorating. No one listens, however, and he still must give strokes. Our younger colleagues say that he plays a mean game of squash for an 'old man.'

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# Thank God for Americans

Last October, the United States invaded the tiny Caribbean island of Grenada. Until then, most of us were unfamiliar with the country, its politics or its struggle against communism.

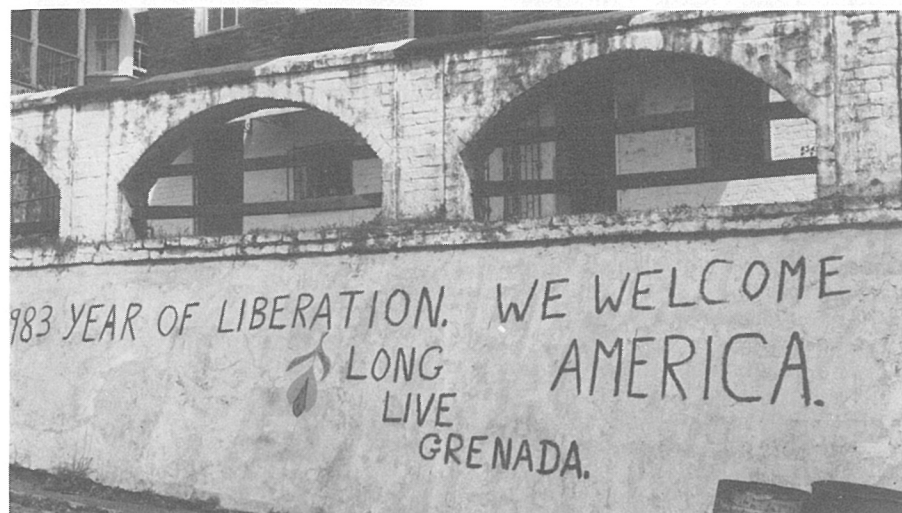
In late March of this year, *John* went to Grenada to conduct an investment feasibility study for the AAMA. I decided to join him.

The moment we arrived, we fell in love with the island. During our taxi ride from the airport to the hotel we enjoyed our first look at a mountainous countryside rich with tropical plants and spice trees. We were surrounded by lush growth as we

schools reopened. On the 6th day, American soldiers invaded the island.

## The Post-Invasion Economy

Unemployment is high on the island – between 24% and 36%. The two thousand men of the former army are out of work. Once a new investment code is passed, foreign investments will start coming in, but Grenadian businessmen are anxious to see new jobs created before the code is passed. We visited several warehouses that had been used for stockpiling arms by the Cubans and former regime. We felt



wound down the narrow road to the ocean. Our hotel, called "Secret Harbor" overlooked a bay, and our bungalow was just a few feet above the ocean. Beautiful flowers were growing everywhere.

There are about 100,000 people living on Grenada. All business is done through the capital city, St. George's, on the west coast. Everywhere we went, the friendly islanders told us how grateful they are for the American presence. They told us that after 4½ years of the New Jewel Movement, they realized they were heading toward communism.

In October, their Prime Minister, Maurice Bishop was put under house arrest and then assassinated by opponents within his own party. Once in power, the new government turned sharply to the left. During the four days of curfew that followed the assassination, Grenadians were told that curfew violators would be shot. On the 5th day, businesses and

they could be converted to plant sites fairly easily. Even two hundred new jobs would be an uplift to Grenada.

During the Bishop era, the propaganda had some positive effect. At least the radio used to brag about the "two trucks that the Algerian people are giving to the revolutionary people of Grenada" or "the bottles of water that the Hungarian government is sending." Now the radio is silent. The people of Grenada need and expect financial help from the United States. They would like to hear that the U.S. plans to finish the airport, that Kurt Salmon is prospecting for investments, etc.

The infrastructure of Grenada is not adequate right now. Roads have not been repaired, and electricity and water are out most of the day in some areas. But the population is eager to make changes in order to attract tourists and industry. Once the airport is finished a charter

by Annick Stevenson-Kezzest

airline is committed to serve the island. Hyatt wants to build a 250-room hotel. Eastern will schedule flights when there are enough hotel rooms to warrant it.

Why don't you consider a trip to Grenada, business or vacation. You will find a country of friendly people, all proud of their beautiful island. Your American passport is your ticket to paradise.

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## Great Runs Goes Worldwide

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First, let me say I don't believe there is any such thing as a "Great Run"—I like the "Peanuts" comic strip that shows Charlie Brown beating his head against a tree, and his reply to Linus' questionable look: "Because it feels good when I stop!" That, in my opinion, is the only logical answer to the question, "Why run?" Why else would anyone dodge cars, dogs and crazies just to tear up his or her knees and feet?

In any case, for whatever psychological or physiological motive you have, if you are intent on doing it, let me tell you about a "great" place to run.

First, pick an elevation higher than you have ever run, say 1,500 to 2,000 meters. Second, add some very steep hills to give a real "cross-country" feel to it (akin to running up the stairs of the Empire State Building). Finally, make sure the course is on a narrow, winding road so cars will have a good shot at you as they round the curves.

Sound good? Then stay at the Intercontinental Hotel in Medellin, Colombia, and all this will be an easy access to your masochistic soul.

Oh, an added feature! While you are struggling up that final steep hill in Medellin, some local jock will come sailing past just to prove there's "nothing to it." ¡Que buen ejercicio!

~John Stevenson



**Aloha**

*cont' from p.7*

group then brainstormed, operation by operation, for improvement ideas. Fourth, Jim summarized the ideas generated (including sketches) into a PAC report that was submitted to the client.

What was achieved? From a marketing standpoint, the PAC set us clearly apart from our competition. The client saw that the PAC would strengthen the project and, most importantly, add real value. From the practical standpoint, the PAC allowed us to bring a great deal of talent to bear on the situation for a relatively small cost to the client. The PAC generated more than 35 ideas for improvements.

In other areas, we have strengthened our approach to productivity improvement without the use of incentives. While rejecting a traditional quality circle approach as being too structured and limiting, we combined heavy employee involvement with good industrial engineering as our approach. *Every* employee as been allowed and encouraged to participate in the improvement process. This was accomplished through an extensive series of small group meetings to identify problems, potential solutions, and other opportunities for improvement. As the results from the employees, the PAC, and our industrial engineering analyses came together; improved equipment, methods, procedures, and controls began to emerge. These were then presented to the employees for their review and suggestions. This communication process has been a key to the success of the project. We were fortunate to have received very strong support from both DFS' warehouse manager, Clarence DeMattos, and the President of the Hawaiian Division, Richard Hunter, in this process.

In addition to this project with Duty Free, we have several others either completed, recently authorized, or under discussion. Last June, we completed an expansion planning study for their candymaking company (chocolate covered macademia nuts). We were recently authorized to conduct a diagnostic study of the sales support function for the Hawaiian Division, and we have just begun discussions about a review of their distribution operations worldwide.

- Roberto Bequillard

**Moore**

*cont'd from p. 1*

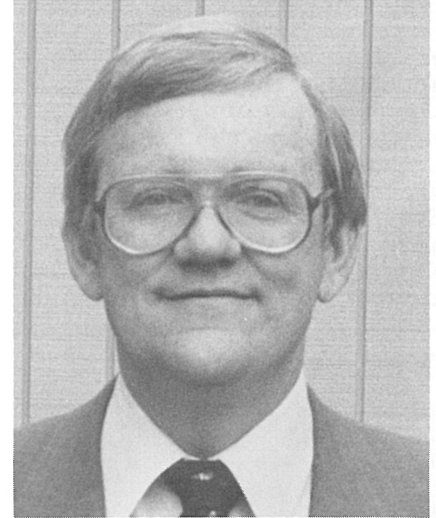
health care managers are similar to those facing leaders in home and personal consumer products, and can be placed in the categories of operations, strategy and control. KSA will now emphasize hospital operations improvement in cost reduction, cost accounting, and human resources development.

In addition, we plan to help non-health care clients (personal and home consumer products companies) reduce health insurance costs with new strategies and information systems. The Health Services Division will also continue to consult to health care equipment, material and drug suppliers.

Since much of the work KSA does in other areas of its practice in operations, information systems, human resources development, and strategy can be successfully transferred to health care, account executives recently wrote to key accounts to notify them of Barry's appointment and to remind them of KSA's health care expertise. In addition, an announcement and new HSD Perspective on Health Care were sent to 3000 hospital administrators and health care executives.

The next few months will see KSA increase the Health Services Division's visibility through articles, surveys, advertising and speeches. A

major project to be implemented this summer is a survey among hospital administrators which will be sponsored jointly by KSA and the American Hospital Association. Results of the survey will be presented and published in August.



Barry will be conferring with KSA managers to explore opportunities with our clients in their roles as hospital trustees, elected officials, and concerned community activists.

Sound management engineering and long range planning is the only insurance for continuing quality care. Barry has the unique experience to spearhead this effort.

## Notable Quote

"Even if you're on the right track, you'll get run over if you just sit there."  
- Will Rogers

## New Princeton Office Staff

Marco Velez is a Software Analyst who came to KSA in October, 1983, from Manufacturers Hanover Trust where he was involved with automating the bank's Foreign Exchange System. Marco and his wife Judy reside in central New Jersey.



Tom Davis is a Software Analyst who joined KSA in August, 1983. He came to KSA from Whitney Communications Corporation where he was Data Processing Manager. Tom lives in central New Jersey with his wife, Susan, and their brand new baby, Emily Katherine.

Arline Calaby joined Princeton's support staff in November, 1983. She has a varied secretarial background, and most recently taught at Hopewell Valley Central High in Pennington, New Jersey. Arline and her husband, Sam, have three grown daughters.

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# KSA Worldwide

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## Canada

KSA's presence has been strengthened with recent staff additions (reported elsewhere). This should result in more business and a small reduction in the number of trips by the 30 or so volunteers coming to visit us on a regular basis.

Our group is certainly unique and truly cosmopolitan: a native from South Africa, *Keith Alleson*; a Frenchman, *Mike Cardon*; a Canadian of Greek origin, *Constantine Campantaris*; plus the writer (of an ill-

defined nationality). Only our Montreal AA, *Monica Sanders*, is a true and native Canadian.

Business was so good in 1983 that *Bill Beckemeyer* has unilaterally and de facto given independence to the ten Canadian provinces which are now, according to his new accounting system, distinct countries. At least he has allowed us to keep a common currency! Maybe next year Bill will devise a Quebec franc, an Ontario pound, a Manitoba peso,

and an Alberta dollar (they've got the oil so they get to keep the dollar).

This year should see a repeat performance of 1983 in spite of a "shaky recovery," lack of political leadership, 13% unemployment, and more bureaucratic pressures from the CIRB. Of special interest to KSA is the potential for several studies concerning the feasibility of a common market between the U.S. and Canada in textiles and apparel.

- *Denys Williamson*

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## Far East



"Down the hall and to your left" ... *Jim Trautman* shows the way to KSA's new office.

### Office Opening Reception

On January 18, KSA hosted a reception at the Shangri-La Hotel to celebrate the opening of our new Hong Kong office. Attendance was very good, with over 70 of our local clients and clients-to-be on hand, along with members of the press, suppliers, etc. *Jim Trautman*, *Paul* and *Diana Tsang*, *Shirley Chan*, and *Butch* and *Linda Price* hosted the event.

### New Arrivals

At about the same time the reception started, *Mike*, *Becky* and *Jon Waldrop* arrived to set up a new home in Hong Kong. Within a few weeks, they have comfortably settled into their new surroundings. Also, *Gerald Turbyfill* arrived in late February for a three week sourcing program in HK and Taiwan.



### New Work

A major SRE project has been authorized in Taiwan and several fabric/garment sourcing projects for U.S. clients are also underway. Visits to Taiwan and the Philippines were made in January and February with a trip to Korea scheduled for March.

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## Spain

Two major projects were completed in early January. One was the DOC Market Research Study for U.S. apparel exports to Spain. The report was completed on time despite a last minute rush - all points and commas on the figures of the report were transposed in translation and had to be switched. (In Spain we use commas instead of decimal points and points to indicate thousands. After this incident, our secretary, *Montse Molins*, will never forget that.)

The other project was a feasibility

study for a financially troubled public knitting company. We had the tricky task of finding out a way to save the company because the government cannot, for political reasons, close it down. We apparently succeeded: a new manager has been appointed and we have been asked to submit proposals for a refloating program.

We were asked to give a speech to an important group of apparel manufacturers at the annual meeting of

a major equipment supplier. Our major task was to boost the morale of manufacturers who are suffering from shrinking consumer demand, high financial costs, strong competition (from a submerged economy), and the future threat of imports. All these things will make 1984 a difficult year for the industry, but we plan to counter them with increased sales, a strong PR effort, and continued delivery of high quality work.

-*Alberta Figa-Beleta*

## Germany

Fast recovery in the last third of 1983 made year-end results satisfactory.

The outlook for 1984 is not bad, although the economic situation in Germany and the other countries in which we are working is not improving as rapidly as expected.

We anticipate business from two studies which we recently completed. For ECZA, the Dutch Ministry for Economics, we recommended an improvement programme for the apparel industry which has been launched, and we are completing a study for the Norwegian Apparel Industry Association.

Our cooperation with INFOTEAM in Switzerland for the services of L.E.T. and Sales Tech for the total softgoods market should lead to additional business and new markets.

— Hardy Artelt

## Beddows

cont'd from p. 7

While in college, John captained the University soccer team. KSA is fortunate that John decided to go into industry rather than become a professional soccer player.

John is a perfectionist, and we expect he will continue training for the 'real' job. Until he decides to realise his ambition and become a soccer manager, we look forward to many more successful years in the UK and to his growing influence on KSA's practice worldwide.

## New Atlanta Office Staff



Taylor, Shelton, Sullivan and Huber

## Milestones

### Congratulations

To Denise and Mark Younker on the birth of a son, Brett Steven, February 1.

To Sherrie and Dale Graham on the birth of a daughter, Tiffany Lauren, March 15.

To Susan and Tom Davis, on the birth of a daughter, Emily Katherine, March 22.

To Franziska and Juergen Zapp (West Germany) on the birth of a son Stefan Heinrich on January 12.

To Peter and Heidi Voget on the birth of a daughter, Tessa, March 31.

### Senior Consultants

Congratulations to Bob Mann, Cesar Mantilla, Linda Ortwein, Jim Severyn, and Steve Watts, who recently advanced to the level of Senior Consultant.

### Departures

The following have recently separated from KSA: Peter Alderslade (UK), Tony Brooks, Kent Davis, Debbie Myers, Cecil Phillips, and Bruno Weder (West Germany). We wish them success in their future careers.

**ATLANTA OFFICE PICNIC  
will be held  
MAY 12  
at Lake Lanier Islands**

**Congratulations** to Dean Vought who was recently elected Secretary-Treasurer of acme, inc., the association of management consulting firms.

### Notable Quote

"If a man does not know what port he is steering for, no wind is favorable to him."

— Seneca

We welcome the following new employees to KSA:

**Marsha Taylor**— secretary to recruiting and distribution. She has a B.S. in English from the University of Massachusetts, and is a Katherine Gibbs graduate. Marsha recently returned from the Philippines, where she taught English to Indochinese refugees prior to their resettlement in the U.S.

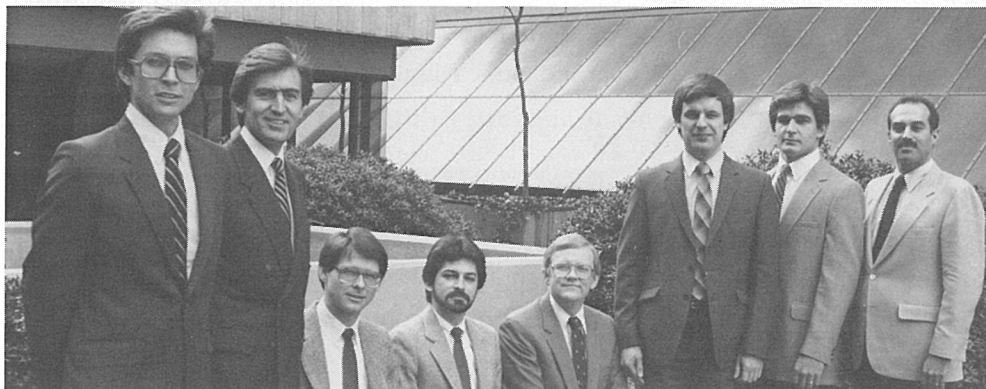
**Janice Shelton**— word processing. Janice was secretary to the Domestic Sales Force of Kimberly-Clark and a word processor at Georgia State University prior to joining KSA.

**Jean Sullivan**— word processing. Prior to coming to KSA, Jean worked as a word processor/graphic artist at Touche Ross & Co. She has also worked as a legal secretary.

**Melissa Huber**— telephone operator/receptionist. Melissa has worked as a switchboard operator and as an administrative assistant. She attended Florida State University and has also studied in England, Italy, France and Switzerland.

— Cathy Deadwyler

## New Consulting Staff



January training class, left to right: *Chuck Troyer, Constantine Campaniaris, Mike Swift, Miguel Lacayo, Barry Moore, Eddie Slowikowski, Max Fulbright, Musa Rubin.*

*Chuck Troyer* – BS – Chemistry, MBA, Indiana University. Age: 25. Single. Hometown: Huntington, Indiana. Assigned to Control.

*Constantine Campaniaris* – BS, Textile Technology, Univ. of Manchester (England); MS, Marketing, Univ. of Salford (England). Age: 35. Married (*Laurie*). Hometown: Toronto. Previous experience: merchandise manager for Dominion Textile, Inc.; six years' consulting experience – Sinamac Corp. (own company) and Leetham, Simpson, Ltd. Based in Toronto as part of Strategy Group.

*Mike Swift* – BA, Math, Wabash College; MBA, Indiana University. Age: 28. Married (*Terry*). Hometown: Crawfordsville, Indiana. Previous experience: information systems consultant with Indiana Bell Telephone Company, and service manager with T.W.A. Services Inc. Assigned to Distribution.

*Miguel Lacayo* – BIE, Georgia Tech; MSIE, Stanford University. Age: 22. Single. Hometown: San Salvador. Assigned to Operations.

*Barry Moore* – BSIM, Georgia Tech. Age: 44. Married (*Carole*). Three children. Hometown: Ayden, North Carolina. Previous experience: six years with Du Pont and eleven years with Touche Ross. Barry is manager of our Health Services Division, based in Atlanta.

*Eddie Slowikowski* – BS, Newcastle University (England); MBA, Aston University. Age: 34. Single. Hometown: Sutton Coldfield, England. Previous experience: production

supervisor, Ford Motor Company; production control manager, Driver Southall, Ltd. Based in the UK as part of Operations Group.

*Max Fulbright* – BIE, Georgia Tech. Age: 22. Married (*Sherrrie*). Hometown: Carrollton, Georgia. Previous experience: three years with Peoples Bank of Carrollton as bookkeeper and

teller. Assigned to Operations.

*Musa Rubin* – BA – Biology, MS – Business Administration, MBA, University of Chicago. Age: 32. Married (*Linda*). One child. Hometown: New York City. Recent experience: manager of financial planning with Service and Supply International, Ltd. (Athens, Greece). Assigned to Control.

## Press Releases We Never Sent . . .

RELEASE: IMMEDIATE

MORE INFORMATION: Joe Scheines,  
Kurt Salmon Associates, Inc.  
350 Fifth Avenue  
New York, NY 10118  
(212) 564-3690

### NAHAS GETS CHAIR!

New York, NY, March 11, 1980 -- In a surprise move early this morning, Robert E. Nahas received the Stig A. Kry Chair of Inclined Thought. It could not be learned immediately whether the arrangement is temporary or permanent.

In making the announcement from London, Mr. Kry noted that the chair had given him back troubles of late, and he had "had it with all this back-sliding." He was careful to distinguish between "the chair, which is used for sitting and thinking" and "the chairmanship of Kurt Salmon Associates, which is not available to anyone at this time, no matter what."

The Kry Chair of Inclined Thought is covered in a tasteful black vinyl, and is capable of executing 180-degree turns in both horizontal and vertical axes, but not at the same time. Mr. Nahas, its new occupant, said he was already dizzy at the prospect of occupying so versatile a seat.