

the KSA Observer

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It's a New Ballgame for Health Care: Hamilton/KSA Form a Winning Team

An All-Star team of health care professionals was assembled soon after "batter up" was first yelled in ballparks across North America. At the end of April, Hamilton Associates, one of the most respected health care consulting groups in the country and KSA's health services division merged to become Hamilton/KSA. Combined billings will represent some \$4.5 million, which puts the firm in the big leagues of health care consulting practices.



Hamilton Associates is a specialized consulting firm that serves the health care industry exclusively. In its 40 years of operation, the firm has served health care clients in 50 states and ten foreign countries. Founded by James A. Hamilton (see inside story), the firm is headquartered in Minneapolis, and also has offices in San Francisco, Washington, DC, Dallas, and Boston. Approximately 50 people work from these five offices. The firm has a superb professional reputation and an impressive line-up of clients in all 50 states.

Putting the Winning Team Together

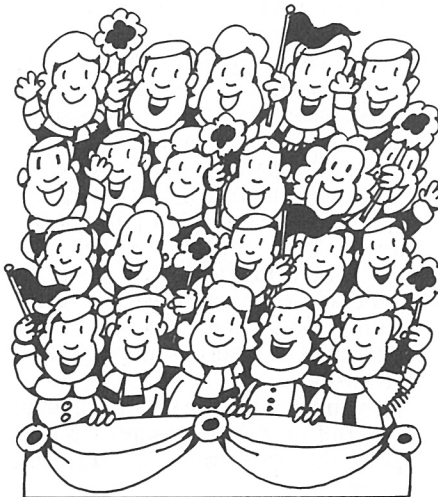
KSA's corporate strategy called for the development of a substantial, high quality consulting practice in the health care industry, which could be accomplished gradually by building on KSA's base or more rapidly through the merger with an existing consulting firm. In the course of his work last year, Barry Moore, official scout, learned of HA and concluded that KSA and HA could fit well together.

In a number of meetings, a strong

mutual interest developed in joining forces based on the belief that we could, together, accomplish a great deal more than either could separately. There was a close identity of values with regard to quality of work, ethics, and personnel policies, which suggested that Hamilton and KSA would work well together. There is absolutely no truth to the rumor that Dave Cole's interest peaked when he learned that several Hamilton consultants are superb sprinters and marathon runners, (but watch whose team these folks are assigned to when there's a race) - and close proximity of HA's Minnesota office to Canadian goose hunting had nothing to do with it, either.

A Solid Line-Up for the Pennant

Hamilton's and KSA's resources and strengths complement each other. Hamilton's expertise in planning - strategic, facilities and equipment - and KSA's strong background in marketing, productivity, and operations improvement, will prove strong contenders to any competition.



The Official Roster

The principals of Hamilton Associates have become principals of KSA. While many Hamilton and KSA team members have met on a variety of issues from task forces to "when are my business cards coming?," this issue of the *Observer* is the official introduction for many of us. You can look forward to Hamilton folks contributing to future *Observer* issues.

Personal Stats

A recent survey conducted by Hamilton Associates about Hamilton Associates revealed that for a hospital and health care consulting firm, Hamilton's employees are remarkably diverse in their activities for enjoyment and fitness, and most engage in multiple sports. Of the 41 associates responding to the survey, bicycling and walking (15 each), followed closely by golf (14) are the major pursuits. One consultant was adamant that his major sport is "running through airports like OJ Simpson!" Tied for third place are tennis and swimming (9 each) followed by running/jogging and racquetball (8 each), skiing (7), sailing and fishing (6 each), and ice skating (5). Also mentioned were basketball, gardening, aerobics, snorkeling

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Chairman's Corner

by Stig Kry

In my talk at our staff conference on the worldwide status of KSA, I said, in reference to our financial position, the following: 'Given KSA's operating needs and current strategy, our financial position and banking relationships are such as to give management the ability and flexibility to finance any reasonable growth projections and other attractive investment alternatives that we are likely to identify.'

Such an investment opportunity was identified in the form of Hamilton Associates.

This merger is a major step for KSA, and one that will make Hamilton/KSA a major factor in the huge and growing field of health care consulting. It will immediately give us a large enough combined volume (approximately \$4,500,000 in 1986) to make future growth in that part of our practice significantly affect KSA's corporate results. And we believe that this move is an effective way to implement our long standing strategic objective of becoming a leading consulting firm in the health care industry.

This move by KSA follows news of acquisitions or mergers of a number of consulting firms, some of which are well-known in our markets and compete directly with us. Garr Consulting Group, a retail specialist, was acquired by Touche Ross, the Big 8 accounting firm, a couple of years ago. More recently, Touche Ross acquired Summerour Associates, KSA's biggest specialist competitor in the apparel industry.

Also in the last couple of years, Management Horizons, the best-known retail specialist consulting firm, was acquired by Price Waterhouse.

These are but a sample of the mergers and acquisitions that have taken place in recent times.

Does all of this signify that the management consulting profession is becoming more and more concentrated in the hands of a few big firms? And does it mean that KSA has decided to grow by acquisition?

The answer to the first question is, at least to some extent, yes. The big accounting firms, faced with keen competition and falling profitability in their accounting practice, see management consulting as one of the few

attractive growth areas open to them. Some have already built large staffs. Arthur Andersen may well have the world's largest consulting staff. Other accounting firms who were late in discovering the opportunity in consulting are making up for lost time with acquisitions. The accounting firms are the biggest force for acquisition and concentration of market share. There are others: TPF&C, the employee benefit consultants acquired Cresup not long ago; Saatchi and Saatchi, the large UK based advertising firm, bought Hay & Associates about a year ago as one important step towards creating a full management service company.

Will KSA in the future grow through acquisitions? Our aim is to grow, and see a real growth rate of 10% per year. We believe that it is essential to the reality and the perception of opportunity among all of our associates to focus in the first place on internal growth. That has been our policy and our practice in the past and it will continue to be for the foreseeable future.

Another factor that has restrained KSA from making acquisitions in the past and which will make us continue to be very selective in the future is that the fit in terms of strategy, people, and culture has to be extremely good for mergers or acquisitions in management consulting to work out. Hence, you can expect KSA to continue to look very critically at any opportunity, and that as a result, very few will qualify for final scrutiny. In this context, I am very happy to say that Hamilton Associates is not only a very good strategic fit, but they also have the same sort of people and the same dedication to client satisfaction as we have in KSA. If, in due course, we learn of another consulting firm that will help us implement other parts of our strategy more rapidly, we will certainly take a close look. But, as stated, the fit will have to be very good as incompatibility is all too often a big problem in mergers of management consulting.

In summary, we are very pleased to see Hamilton Associates joining KSA and we do expect many good things as a result.

News from Hong Kong


Our practice in the Asian Region is continuing to grow. Recently, *Dave Cole* made a trip through the region including stops in Japan, Korea, Taiwan, Hong Kong, and the People's Republic of China, to visit clients, government representatives, and prospective clients. In addition to the normal business activities, *Jim Trautman* and *Dave* gave a major speech to the Taiwan Textile Federation in Taiwan. The Hong Kong Office hosted a reception which was a highlight of the trip. Over 70 executives from leading firms in Hong Kong attended. As is the custom, several key clients sent flowers to honor the firm.



KSAers in attendance at the Hong Kong reception included, back row, left to right: Chuck Gilreath, Jim Trautman, Doug Rogers, Paul Tsang, and Alex Galvin (husband of Shirley Chan). Front row: Shirley Chan, Dave Cole, Robyn Cole, Mitzi Gilreath, and Dianna Tsang.

Notable Quote

Thompson's Adage: Be kind. Remember, everyone you meet is fighting a hard battle.

 The KSA Observer
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KSA Gets Esprit de Corps at ESPRIT

by George Gelly and Mike Neal

It's another beautiful San Francisco morning, the sun rising over the bay dispersing the early morning fog.

As we approach the building that houses the Esprit Systems Development Team, the morning quiet is broken by the pulsing beat of driving rock music. Directly below the office is the Esprit Aerobics Studio, complete with mirrors, mats, LARGE speakers, excellent stereo system, and attractive leotard-clad Esprit employees gyrating to the music. We ascend the steps to the office un-distracted and single-minded in our intent.

KSA is assisting the Esprit Systems Development Team to completely replace the current information systems and provide the foundation for Esprit's data processing support for the balance of the century. *George Gelly, Mike Neal, and George Soffron* are part of the 24 person staff working on the project and have had to make numerous 'adjustments' in order to work effectively within the culture at Esprit. These include abandoning our business suits and ties for sport shirts, casual sweaters and slacks, jeans and tennis shoes. Esprit employees are expected to represent the company image and philosophy in their dress and life-style; this includes consultants! Many of Esprit's philosophies are similar to our own and the image is attractive and fun.

Esprit de Corp. was started 16 years ago as the brain child of Doug and

Suzie Tompkins, who still run the company. They manufacture, distribute, market, and retail lines of apparel for women, juniors, and children. Other divisions include shoes and accessories. The fashions Esprit designs set trends in their markets. This trend setting image is expressed throughout the company, from the retail outlet to the company cafeteria, the 'Esprit Cafe,' which serves gourmet luncheons, pastries and afternoon dessert snacks of homemade ice cream, cookies and cakes!

The environment at Esprit is at the same time freewheeling and directed. The business solutions that they discover match very closely the forward position they present in their fashions. Some of the most unique and intriguing people (and ideas) we have seen are at Esprit.

Esprit's headquarters facility occupies several city blocks just south of downtown San Francisco, and includes a park with rare flowering trees, a large open grassy mall and a grass tennis court. The centerpiece of their facilities is the main building at 900 Minnesota Street. The structure is a completely renovated winery (see photo) with what may be the largest collection of antique handmade quilts in the world gracing its walls. At strategic locations throughout the building are posted sayings that reflect company ideals. Over owner Doug Tompkins' desk is the quote, 'Life is



Entertainment, Survival is a Game.' (He is an avid mountain climber.) In the design studio hang the quotations, 'No detail is small' and 'Original design is seeing what everyone else sees, and imagining what no one has yet seen.'

At the rate of speed with which Esprit moves in business, KSA will have many opportunities to help this exciting company. *Tony DeMaria* is starting a project to assist in the designing of Esprit's future distribution facility, which will reside on 26 acres on San Francisco Bay, and which promises to be a showcase - complete with tennis courts, soccer fields, a day care center, and cafeteria that may double as a first class public restaurant. New phases of the systems project include distribution and accounting interfaces, an information network for the sales force, direct links with Esprit Hong Kong and numerous forecasting and tactical planning systems.

The plans for Esprit Retail are to expand to 20 company owned stores, 200 retail franchises and to continue to grow the wholesale business with new product lines and exclusive selection of retail customers

With Esprit's ambitious plans for the future, KSA's opportunities for assistance become obvious - and at least three KSA'ers are looking forward to the prospects. 

A "Potted" Training Session at Royal Doulton

by David Coppock

Anyone who has attended a KSA training course will be familiar with the following phrases: ... you are the resident consultant ... the client would like a presentation ... you have 45 minutes to prepare ... your supervisor is unavailable. As we all know this is a contrived set of circumstances designed to test the consultant's knowledge and understanding of KSA techniques. It is obviously not a situation one is likely to encounter in the real world. Or so I thought.

I am currently working for Royal Doulton, a world famous manufacturer of high quality bone china tableware and giftware.

KSA's first involvement with the pottery industry began with a detailed survey of Doulton's eleven factories. The survey established substantial potential for improvements in productivity. We are now engaged in our first implementation project at the Baddeley Green factory, adapting and installing the standard KSA techniques of industrial engineering, labor cost control systems and Plato®.

As the resident staff consultant at the Baddeley Green factory, I arrived one December Friday, ready for another day. The planning phase of the project was completed, new workplaces designed, Plato® translated into 'pottery jargon' and the factory layout finalized. Things were looking pretty good - until about 9:00 a.m., when the phone rang. It was the factory executive in a total panic. He asked me to prepare a presentation for 10:00 a.m. on everything KSA had done up to that point in the project. All the familiar phrases from the training course were repeated. I had 45 minutes to prepare, etc. How-

ever, of more critical concern was the composition of the group to whom I was to present. The Royal Doulton Board with Chairman Sir Richard Bailey, MD Stuart Lyons and several members of the British aristocracy from the parent Pearson Board were arriving to listen to me!

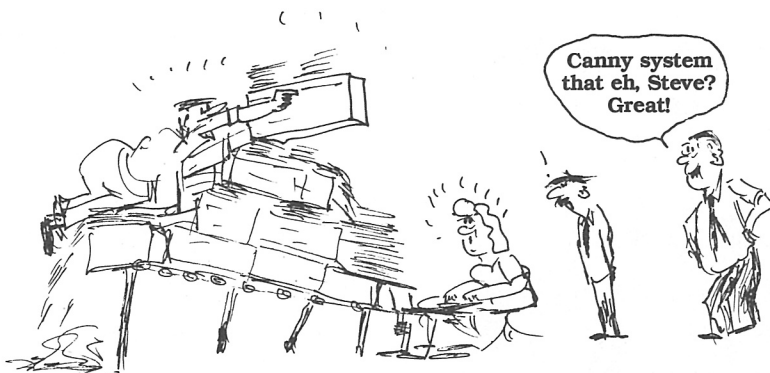
I suddenly became a consultant in need of inspiration, conscious that these people pay our fees and must be given a first class presentation. I naturally looked to my supervisor, *Steve Norris*, for this inspiration. True to the training course, he was unavailable. I don't think he could have been at a more inaccessible location - a sheep shearing centre in the Welsh mountains.

Accepting the fact that I was 'on my own,' I prepared the presentation and quietly contemplated 'why me?!' The dignitaries arrived early, and after introductions I began to talk through the project.

I eventually took the group to the new workplace for lithography operators. I expected detailed questioning but events took an unusual turn! Behind closed doors, the MD was only too keen to get working at the workplace, serviced by his assistant, Sir Richard Bailey! Forget the presentation, they'd come to lay some print down!

Having satisfied themselves that the KSA workplace was sound, the questioning turned to broader issues - at which point my training course experience came into its own.

Finally convinced of the project and its merit, the group left me dazed but happy, and wondering whether we're all frustrated potters at heart.



Royal Doulton's management view of workplace development - drawn by the client.

McGregor Corporation Integration of Services

by Craig Van Fossan

McGregor, wholly owned by Rapid American, is a collection of several apparel companies, Faberge, and a licensing division. KSA was asked to design a marketing strategy for McGregor's men's clothing companies, Botany 500 and Cross Country Clothing. Though currently profitable, neither company had outlined a strategic plan for continued success, and both seemed destined for tough times in an industry characterized by slow growth, increased import penetration, and rapidly changing channels of distribution. Here were two companies with admittedly little marketing expertise, risky distribution patterns, high cost Northeast manufacturing, and finally, no clear cut vision of where they wanted to be positioned in a highly competitive industry. The diverse nature of their problems defined the scope of our assistance, which required the BOK of several of the service groups within KSA.

In outlining the scope of the project, we separated the work into three phases. Phase one consisted of the

"Without our multi-functional strengths, we would not have been positioned to carry this project through to completion."

development of a recommended set of product/market strategies, an exercise that included both an internal review of strengths and weaknesses as well as a close look at the competitive environment with an eye out for opportunities and threats.

The internal review provided our first opportunity to integrate services within this project. Our operations group was asked to take a look at Botany's and Cross Country's manufacturing facilities to assess the efficiency of their operations and opportunities for improvement. Because operations was inserted into the process early in this initial phase of the project, we had created a continuing need for their consultation throughout the remainder of the job. The same approach could be taken with any of our service groups.

Phase two of this project consisted
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Answers to Your Questions about CDG

Q. I have heard that we own a company called CDG, and that it has something to do with Jamaica. Can you tell me more?

A. Sure. CDG, or Capacity Development Group, is a subsidiary of KSA. Formed in February of 1985, its function is to help investors plan and start up labor-intensive apparel manufacturing in the Caribbean.

Q. Why the Caribbean?

A. The Caribbean is a desirable off-shore source for US apparel manufacturers for several reasons. First, wages in the Caribbean are about 10% of US apparel wages. Second, a Caribbean operation offers shorter lead times, shorter distances to market, and closer control than operations in the Far East. Third, the Caribbean Basin Initiative, a US policy, went into effect in 1983. It allows faster development of the economies of these countries, in order to provide jobs for their unemployed. In turn, the CBI countries have also passed new laws favorable to foreign investors.

As apparel manufacturers move into the Caribbean, however, they are finding that they lack the expertise necessary to select the best area, hire personnel, secure capital, etc. That's where CDG comes in.

Q. What services does CDG offer?

A. When contracted by a manufacturer, CDG's first step is to make a detailed business plan and time frame so that the manufacturer will know exactly what his investment and savings potential will be. Second, the structure of the company - wholly owned subsidiary, joint venture, or strictly a marketing relationship - is discussed. CDG will negotiate with the government regarding all legal requirements.

CDG can also secure a building or have one built, and make sure it has the proper equipment. CDG will also hire key personnel - certainly a plant manager and mechanic, and probably an engineer. Once a company is started and hiring has begun, CDG takes complete control for bringing the

company up to its planned performance levels and maintaining the proper quality. The Group negotiates all of the shipping and completes paperwork for customers. CDG will continue to run the plant for three years.

Q. Why three years?

A. It takes about two years to get the plant up and running properly, and another year to realize a profit.

Q. Does CDG charge a flat fee for these for these services?

A. CDG is paid a fixed management fee plus variable management fee based on shipments.

Q. Describe a project that CDG is working on.

A. CDG is currently running a plant in Jamaica for H. H. Cutler of Grand Rapids, Michigan, a children's wear manufacturer. The plant in Jamaica is called Jog Togs, Ltd. A plant was secured and a lease signed on June 5, 1985. By July 5, most of the painting and remodeling was complete, and machines were in line. Inexperienced supervisors were hired for a months' instruction. On August 6, production of one style began, which was to last nine months. It lasted six weeks; five additional styles have been


sewn in seven months of operation. To date, every aspect of the business plan has been met or surpassed and the plant has remained below budget.

Q. Who works for CDG?

A. John Stevenson heads up the group, reporting to Bob Frazier, who is the liaison to KSA's Board of Directors. CDG, as a separate corporation, has a separate board of directors. In addition, CDG has two staff people currently on location at Jog Togs. Richard Hessen is plant manager. Richard has over 20 years' experience in the garment business from cutting rooms through plant management. He is a very hands-on manager who has developed some creative approaches to plant start-up that have ensured Jog Togs' success.

Mark Blair is lead mechanic, with ten years' experience. Mark has adapted to Jamaican culture well, learning Patois, the regional dialect. He has also developed a strong reputation for training mechanics.

Q. What does the future look like for CDG?

A. Estimates are that capacity in the Caribbean is growing at 15% per year. The demand could explode if current proposals to change tariff and quota regulations are made, and if investments are made in new manufacturing capacity. 



Update on Jamaica Programme

by Doug Brown

From the perspective here in Jamaica, it seems a very long time since KSA began the present government-funded programme in September of 1982. A great deal has been compressed in that relatively short time frame: crisis, success, failure and effort. Often we were involved in a Bretan dance, going two steps forward and one step back.

In looking back, one tends to remember mostly the crises: continuous payment problems, investor lethargy, a movement by the local unions against the predominantly Hong Kong-based manufacturers in the Kingston Free Zone, the loss of contracts in locally owned plants, the lack of factory space, the high cost of what is available, and so on. The origins of most of this is probably found in the very definition of Jamaica as a Third World nation and all that this implies, including little capital and plenty of debt.

Yet, despite the problems, the programme has managed not only to survive but even to surpass our expectations: the total employment in the export apparel sector has doubled the 5,000 jobs that the government had targeted for 1988. Although KSA cannot claim credit for all of this, we do account for a good portion. Also, on the actual factory floor, our efforts have been rewarded by competitive efficiencies on piece rates installed at 80% of US standards.

So far, we've been involved in nine plants, all but three of which were start-up projects. The latest start-up, Davon Corporation, is a wholly Jamaican-owned 807 contractor for men's casual slacks. With 170 operators and in business for 20 years, it has all the potential problems and pitfalls of our typical long-established plant that has never been engineered.

Focusing now on the quality of the labour here, all expatriate managers (outside of the Chinese) agree that new operators here exhibit unusual dexterity and trainability. On the other hand, our greatest difficulty here is in training supervisors who have been promoted from the floor, even using Plato® (which is now in its fifth plant here). The local culture virtually prohibits this traditional approach and the only plants that have appeared satisfied with its supervisory staff are those that had selected and trained them before they hired one machine operator.

Overall, we've found the Jamaican work-force very manageable under normal conditions and they respond well to our people, our approach and the systems we put in place. They are acutely aware of what good leadership is and respond very well to it, but are quick to take advantage of any lack of firmness on the part of management.

One approach that has not done well so far in Jamaica is that of the six Far Eastern manufacturers who have come in since last year. Four of them are from Hong Kong and two from South Korea. They have tried the

made strides in adjusting to the local culture and may be out of danger by now.

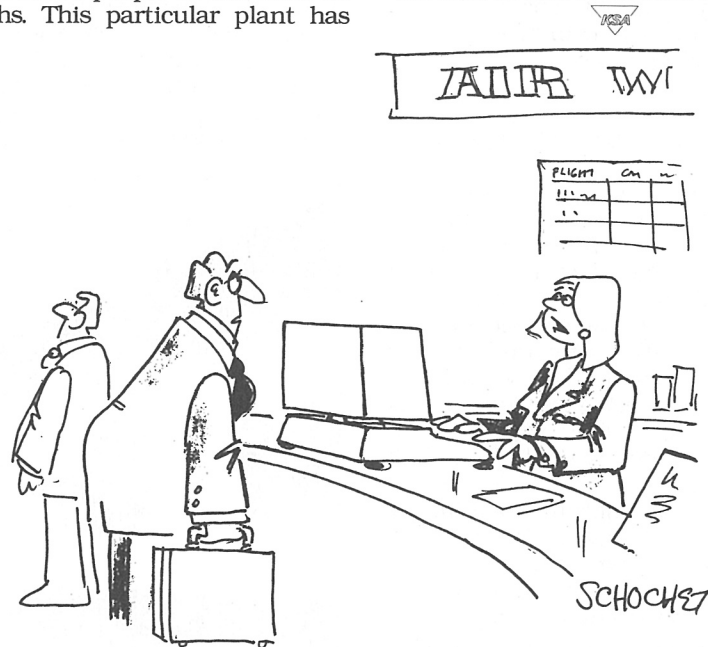
As to the future, there are a few potential new projects slated for early next year. In addition, local sources of capital have begun to show an interest in an 807 investment. The reports of success of some of the ventures here, including the low break-even point on a new investment (presently at about 65%, due to the low cost factors afforded by the devaluation of the Jamaican dollar) has helped change some minds. We are presently in a lull

"I need not tell you how pleased I am to be here today... When we began the programme to develop the apparel industry in 1982, we projected that in five years we would build 20 factories employing 5,000. Today, we have built 56 factories, employing 13,400..."

Quote from The Honorable Douglas Vaz, Jamaican Minister of Industry and Commerce, speaking at the opening of another 807 apparel factory in Jamaica.

Oriental approach here, with near-disastrous consequences. Rapid employment build-up is one of their characteristics and one, East Ocean Textiles, Ltd. (a subsidiary of Esquel, out of Hong Kong), has gone from an initial handful of Chinese supervisors to over 2,300 people in less than 18 months. This particular plant has

phase in the programme to allow the Jamaica Industrial Development Corp. (JIDC, the government agency with which we work in Jamaica), to catch up on some payments. We should soon be ready to begin anew and who knows what is around the corner. One thing for sure is that it will not be dull.



"I'm sorry sir, but our computer informs us that there are too many people in New York today already."

Fred Finglemax Goes to El Salvador

by Bob King



Suppose you spoke no Spanish and lived in Nashville, Tennessee. And suppose that 'going Spanish' meant to you that you were headed for the nearest Taco Bell. And suppose you didn't even know how to spell Tequilla. You would naturally figure that you wouldn't be involved much in Spanish projects, right?

Well, KSA doesn't let little things like language and cultural barriers get in the way of projects. Recently, KSA has had a big team effort to prepare a first class training course for El Salvadoran apparel leaders.

The preparation of this course involved the considerable efforts of *Ron Brockett, Alfonso Hernandez, Geoff Gibson, Rob Brown, Lesley Chong, Libby Morgan*, and probably a good many others whose names I haven't mentioned here, and to whom I apologize.

Although a lot more was done than just Plato® work, I would like to tell you a little about the sub-project of converting our Plato® interactive computer training program for sewing supervisors from English to Spanish for El Salvador.

We had to translate the sewing supervisor course on paper from English to Spanish. There are approximately 3000 screen displays in the course, with an average of 85 words per display. That means about 255,000 words in the course. I used to spend all night in college working on 4400 word papers. "255,000 words? Sure we can. I'll call Berlitz." Would you believe Berlitz charges ten cents a word? However, since the course was

such a big project they offered a special package deal of only \$18,000 instead of \$25,500. I found out that Ron doesn't only hyperventilate before foot races.

By a fortunate coincidence, and through the efforts of Alfonso and Ron, El Salvador provided a team of translators and typists and converted the entire course into Spanish in just three short weeks. By the way, the translators changed the name of the central character in the lessons from Fred Finglemax to Francisco Franco. While that may be fine in El Salvador, we will probably need to get *Alberto Figa-Beleta*, in KSA's Spanish office, to comment on that change before we attempt to sell the course in Europe. Details, details.

The next step, which occurred simultaneously with translation, was to key the Spanish text into the computer, and that took place in KSA's Nashville office.


With some quick estimating, I figured that an experienced Plato operator could key about one lesson file of text in a day. Since the course was divided into 52 files and since we had about 10-12 days left before the first training class was to begin, we needed about five keyboard people.

We hired three temps, lost one, and hired a fourth. We first trained them to use the Plato programs, (which we were still learning ourselves) and then we all began entering text as fast as we could. Under normal conditions, a person could easily require a few months to really learn Plato well, so some of the earlier work of the temporary typists was very interesting, and the importance of debugging took on new significance.

Also, the Spanish language often requires more space than English. Frequently, we discovered that we couldn't fit Spanish phrases into English-sized screen displays. When that happened, we turned to *Sharon*, my wife, and asked her to use her Spanish skills on short notice to provide translations that said the same things in different ways.

Once the keying began it continued seven days a week for long hours. July 4th was the worst day. Instead of a celebration of independence, it became a marathon 22 hour computer session that started at 6:30 am and ended at 4:30 am the following morning

But, we made it! Thanks to the efforts of all and to the careful class scheduling of Rob and Geoff we were able to deliver every disk of the 11 disk IBM set (10 students per class, so 110 disks total) on schedule. And now that we know a little Spanish... we're working on the German version of the course.

So, how do you say "HEELLLL" in German? 

New Senior Consultants



McClendon



Hawkins

Rebecca C. McClendon—Becca joined KSA in 1983 as a member of the Operations Group. She has served such clients as Arrow Shirt, Maid Bess, Hartmann Luggage, and LLBean.

Cheryl L. Hawkins— Since joining KSA in 1982, Cheryl has traveled all over the world to serve such clients as Smart Shirt (Hong Kong), Riviera Slack (Toronto), and Windmill Garments (Jamaica). She is part of the Operations Group.

James Alexander Hamilton, Founder of Hamilton Associates

James A. Hamilton, founder of the company which bears his name, died September 8, 1985 at the age of 86. Educated at Dartmouth College and Tuck School of Business Administration in Hanover, New Hampshire, Mr. Hamilton taught at Tuck while also serving as superintendent of Mary Hitchcock Memorial Hospital in Hanover. He was superintendent of Cleveland City Hospital and director of New Haven Hospital, holding the position of professor of hospital administration at Yale University.

In 1946, Mr. Hamilton was asked by the University of Minnesota to establish a graduate course in hospital administration, for which he built the curriculum, attracted the faculty, and created a niche within the structure of the university, shaping the program for a period of twenty years. As a professor, he found fascination in the areas of organization/management, problem-solving and decision-making. At heart he was primarily a teacher, a mold of the minds of his students. An outstandingly effective and articulate speaker, he relished the Socratic dialogue, luring students through sharp questioning to probe into ideas

rather than taking the obvious for granted. He could take a student who had only a vague notion of what he was doing and produce a graduate who not only knew where he was going, but how he was going to get there. Behind his often confrontational method lay his deep commitment to each student's success in the field. He believed in giving students opportunities to work closely with practicing administrators, and encouraged a network of support and mentorship between students and those already practicing in the field.

Mr. Hamilton felt strongly that because little research had been conducted regarding the operation and design of hospitals, it was essential to compile an adequate data base for teaching. Emphasis at first was placed on management consultation and community studies. In an era void of a statistical data base, Mr. Hamilton pioneered the development of quantitative methods for evaluating departmental productivity and determining appropriate staffing levels. He directed the nation's first areawide health planning study and the first feasibility study for a satellite hospital.

He worked with IBM on some of the first computer applications for health care administration. He was among the first to relate hospital building design to operating efficiency. He recognized the importance of professional organizations, and worked actively at the regional, national, and international levels.

According to his colleague, James Stephan, in a speech before the Alumni Association of the University of Minnesota Program in Hospital and Health Care Administration (October 26, 1966), Mr. Hamilton was regarded as a "genius" whose "vitality, ability to analyze problems and situations, skill in counseling and absolute dedication to advancing the art and science of administration have resulted in his unchallenged position of Dean of all Hospital Administration."

(Sources: *Minnesota Connection*, Fall 1985; program from the Unveiling and Presentation of Mr. Hamilton's Portrait, June 7, 1966; Program from James A. Hamilton Recognition Evening (n.d.); Hamilton Associates' Orientation Manual for New Consultants, July, 1983). From Hamilton Associates Newsletter.

HA/KSA Merger cont'd from p. 1
and scuba diving, dancing, volleyball, softball/baseball, handball, clogging and square dancing, horseback riding, hunting, weight-lifting, and cutting logs. A few are a little off-beat (KSAers should be able to relate), in that "building brick walls," "eating shrimp and snow peas," and "competitive suntanning" were also reported. In fact, the latter consultants suggest that Hamilton employees have a tanning contest, the winner to be given a free trip to an appropriate tanning location the following January.

In a recent Hamilton Associates newsletter, there was even mention of tickets to ACC basketball finals and an NCAA pool.

Of Uniforms and Mascots

The Hamilton team color is burgundy which, coincidentally, is a favorite among several high ranking officials in KSA. Be prepared to see much more burgundy in Hamilton/KSA materials. There also might be a contest to choose and name a mascot.

Publicity ... or "Peanuts, Popcorn, Program - \$1.00"

Coordinating and combining Hamilton's and KSA's brochures and attendant materials has already begun. Press releases were sent to all major newspapers, business journals, and health care periodicals, and announcement cards were distributed to over 7500 health care CEO's. Hamilton/KSA carried the popular burgundy and gray traveling trade show booth with new signs to San Antonio for its

official public debut at the Texas Hospital Association Convention at the end of May.

Team photos are being updated and the presses are busy with stationery and business cards.

To make it to the World Series, a solid team of hitters, pitchers, and backup is required. Come out to the ballpark and watch the competition get overwhelmed.

Whose turn is it to go for the beer and peanuts!?

-Beth Souther

Also contributing to this story were Tom Heckler, Bucky Knowles, Barry Moore, and Bibi Stone.

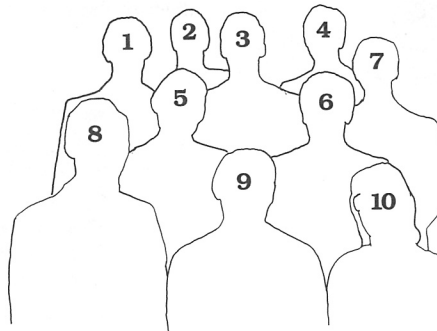


Bob Frazier was named one of the 10 top textile leaders for 1985 by Textile World Magazine for "effectively launching Quick Response as the unifying strategy to improve the competitive position of the U.S. soft goods chain - from fiber through retail."

January, 1986 Training Class



1. *Anthony Thwaites* – MA, Pembroke College. Anthony has previous experience with Rio Tinto Zinc Chemicals in engineering design, and Sterling Adhesive (paper products) in production management. Anthony's hometown is Leeds, England. He and his wife, *Rosalind*, have a son, *Benjamin*. Anthony is assigned to Operations in the UK.
2. *C. Madison Riley* – BA, Trinity College; MBA, University of Virginia. Madison has previous experience as a buyer and branch manager with John Wanamakers (retail). His hometown is Newton Square, Pennsylvania, and he is married to *Laura Hewit-Riley*. Madison is assigned to Strategy Services.
3. *Richard Symes* – MA, Cambridge University. Richard has previous experience with Procter and Gamble Ltd. in production management. His hometown is Guernsey, UK. He is assigned to UK Operations.
4. *Siegfried Schuttpelz* – Dipl.-Ing., Textile Tech.; Dipl.-Wirt.-Ing., Economic College. Siegfried has previous experience with Gregor Mai GmbH., (apparel) in management. His hometown is Werne, West Germany, and he is assigned to Operations in Germany.



5. *Richard Traish* – BS, Leeds University. Richard has previous experience with Procter and Gamble Ltd., in the production management of fast moving consumer goods. His hometown is Grays, Essex, and he is assigned to UK Operations.
6. *John Gleiser* – BIE, Georgia Tech; John spent four summers as an assistant engineer with Reymatic (zipper manufacturer). His hometown is Lima, Peru. He is assigned to Operations.
7. *Paul Dixon* – BSIE, Texas A & M. Paul has previous experience with the US Department of Agriculture in computer programming, and Texas Instruments in methods, layouts, and time study. His hometown is College Station, Texas, and he is assigned to Distribution.

8. *David Rush* – BS, Iowa State. David has previous experience with Berkley and Company (recreational products) in industrial engineering. His hometown is Lake Park, Iowa, and he is assigned to Distribution.
9. *Christopher Walsh* – BS, Marketing, Boston College. Christopher has previous experience with Nike, Inc. in manufacturing, and Breukelenix Associates in athletic footwear consulting. Christopher is married (*Jean*), and his hometown is Hollistown, Massachusetts. He is assigned to Operations.
10. *Kathryn Larcombe* – BA, University of Liverpool. Kathryn has previous experience with Selincourt (textiles and clothing) in market research, British Clothing Industry Assoc., Ltd., in trade association, and Department of Trade (civil service) Statistics. Her hometown is London, and she is assigned to Strategy in the UK.
11. *Glenn Sumner (not pictured)* – BSIE, North Carolina State University; MBA, University of North Carolina. Glenn has previous experience with Ingersoll Rand Company (portable air compressors) as an industrial engineer and Sun-Health, Inc. as a consultant. Glenn and his wife, *Judi*, have two children, *Jody* and *Beth*.

McGregor *cont'd from p. 4*

of planning those changes necessary to implement the recommended product/market strategies. It was here that the integration of services really kicked into high gear. Changes to the organization, systems modifications, manufacturing improvements, merchandising refinements, etc., each called for specific talent. We were uniquely suited to carry this type of project beyond the first phase and into the planning phase. The final phase of this project entailed implementation assistance, that is, the execution of those specific plans outlined in phase two. Again, without our multi-functional strengths, we would not have been positioned to carry this project through to completion.

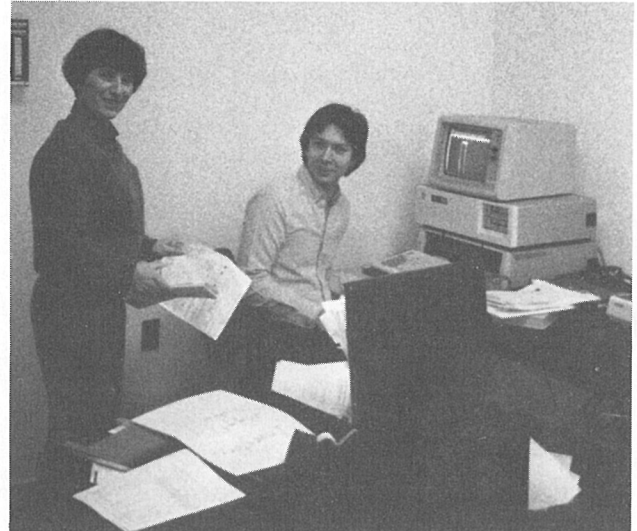
We are excited about continuing our work with McGregor. Our ability to deliver the required assistance in all three phases of this important work should ensure that McGregor will think first of KSA when considering the need for consulting assistance in the future.

Focus on... KSA's Princeton Office

KSA's Princeton Office recently moved to new spacious quarters at 103 Carnegie Center. Here is a pictorial review of the events and people involved.



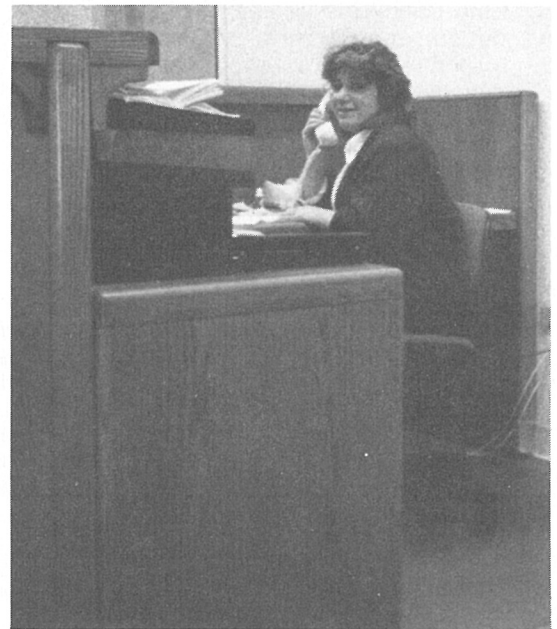
Distribution sends out a final report in the midst of turmoil; Suzanne Cox assists Ken Walker and Gabrielle Pyle.



In the new computer room, Ann LoPrinzi and Chuck Troyer discuss data input.



With chairs still on top of desks, and boxes not yet unpacked, it's "business as usual" for Bernie Wolford and Bill Williams.



Sheryl Bart answers phones and welcomes visitors in the new reception area, before the arrival of pictures and plants.

Notable Quotes

"If God had really intended man to fly, he'd make it easier to get to the airport."
— George Winters

O'Brien's \$57.73 Theory: Auditors always reject any expense report with a bottom line divisible by five or ten.

Departures

Roland Anderson • Pat Balsley • Gary Brown • Tim Brown • Mitch Falkin • Miguel Lacayo • Glenn Larsen • Jeff Palmer • Fran Preston • Doug Sherwood • Jim Wermert

Milestones

Congratulations to

Chuck and Mitzi Gilreath on the birth of a daughter, *Courtney Victoria*, Jan. 2.

John and Barbara Dye on the birth of a daughter, *Victoria Lee Knight*, April 9.

Doug and Karen Brown on the birth of a daughter, *Bianca Elizabeth Linda*, April 22.

Lee and Karla Griffith on the birth of a daughter, *Lindsay Suzanne*, June 7.

Mary White and Bob Mann, married June 14.

Bill and Sherry Beckemeyer on the birth of a son, *Curtis Mead*, June 25.

Son of KSAer Rescues Baby

Tedd Mendelsohn, son of Edith Mendelsohn, became a hero back in April when he rescued a baby from a sinking car in North Carolina.

About 10:30pm on April 8, Tedd, a salesman, was traveling from Charlotte to Rockingham, NC when he was flagged down by a man and told that a car had run off the road and into a lake. When Tedd got to the lake, he saw a man and woman standing on top of the car holding a baby and screaming. Tedd swam out to the car, got the baby and began swimming back to shore with the 11-month-old on his shoulders. When he became tired, a truck driver who also stopped swam out and helped carry the baby the rest of the 50 feet to shore.

Tedd was surprised by all the media attention he received following the rescue. "I'm no hero," he insisted. When asked what she thought of the incident, Edith replied, "I was extremely proud of Tedd; it was a very brave thing to do."

The German Region Skis Flims

by Hardy Artelt

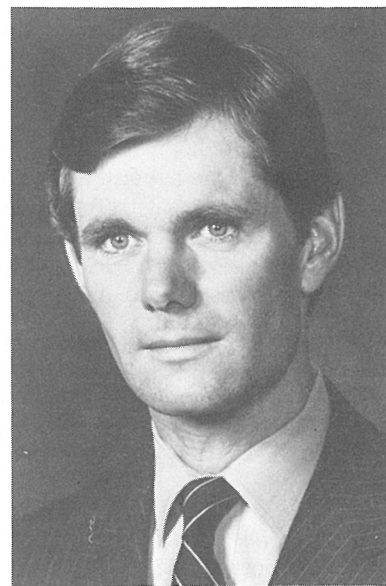


Left to right: *Werner Iten, Hardy Artelt, Klaus Herzog, Heinz Krogner (ex-KSA), Gerd Stubbe, Luigi Delazzari, Oliver Tschopp (Daniel's son), Cesare Aspes, Daniel Tschopp, Peter Amrein, Margaret Iten, Martin Bucher*. Not pictured: *Arthur Hertnagel and Andrea Vacchi Suzzi*.

After several years of planning, the skiing fans from KSA managed at last to organize a weekend together shortly before Christmas in Flims, which is idyllically situated in the Canton of Graubunden, Switzerland. Almost half of the professional staff operating in our region are active downhill skiers. Unfortunately, there was not very much snow on the lower slopes

so we had to tackle a 10,000 foot glacier. The weather was fabulous and we found a very comfortable hotel where we thoroughly enjoyed our apres ski evenings together. All in all it was a great success and we hope it will be the beginning of a long standing tradition. We are already planning another skiing weekend for the end of this year.

Appointment



Brent

Mike Brent has been appointed Northeast Regional Manager for the Operations Service Group. He will be based in the New York office.

Mike joined the Firm in 1967 and during the course of his career has been a member of both the UK and US companies. Mike's functional focus was material utilization and cutting for a number of years. From this base, he moved to project management for a number of major clients and AE responsibility for clients such as Artex, Greico, and Maid Bess. He took on the task of marketing manager for the footwear industry a couple of years ago and has steadily increased our presence in that sector at the client and industry association levels. He will continue to wear that hat.

Even with all of his professional activities, Mike and *Barbara Brent* have continued as KSA's first couple of running. We wish Mike, Barbara, and sons, *Jonathan, Alexander, and Michael*, the best as Mike takes on his new task.

It is with sadness that we note the passing of Michel Bazonnet, who was killed in an automobile accident in Russia in January. Michel was an alumni who worked for KSA-Europe during the '60s and '70s.

Michel is survived by his wife, Illa, and two sons, Eric (19), and Stephen (14).

New Office Staff

Atlanta

Kelly Felker – AA, Communications, Ed Rader, Susan Parker. Kelly recently graduated from Jacksonville State University in Jacksonville, Alabama with a BS in Management. Kelly has held several positions with Temporary Resources while earning her way through college. She enjoys cross-stitch and listening to classical music.

Debbie Hitlin – AA, Dave Cole. Debbie recently worked for Bozell, Jacobs, Kenyon & Eckhardt, an Atlanta advertising firm. She is a graduate of West Georgia College and enjoys snowskiing, sailing, and golf.

Mark Pawelec – Programmer. Mark previously worked as a programmer/analyst for Mon Valley Computer Services in Charleroi, Pennsylvania, providing custom software development for their clients which included JC Penney. Mark has a BS in Electro-Graphics from the California University of Pennsylvania.

Melissa Schwitters – AA, Distribution. Melissa recently moved to Atlanta from Virginia Beach, Virginia, where she was a sales and financial administrator for Polar Window Systems. She enjoys snowskiing, tennis, and cooking.

Rhonda Webb – Word Processing. Rhonda recently graduated from Control Data Institute where she received training on the Wang, IBM Display Writer, and the IBM-PC. She enjoys music, reading and hiking.

Cynthia Johnson – Word Processing. Cynthia has several years experience on the Lanier Shared System and comes to us from Cyberway Temporary Services. She helped us out during our winter crunch, and fortunately we were able to recruit her. She enjoys reading, aerobics, sports and cooking.

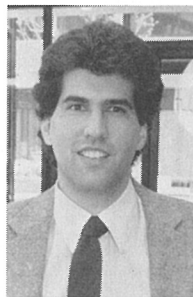
Denise Trostle (not pictured), with KSA five years, has transferred to the Atlanta Technical Information Group.



Felker



Hitlin



Pawelec



Schwitters

Nashville

Marilyn Friedlander joined KSA in April as a Plato® Educational Programmer. She graduated with honors in Art Education from Pratt Institute. She taught for 15 years, served as Head of the English Department and also as Principal for six years. She enjoys reading long books, writing and drawing. Marilyn, her husband, David, and their two children live in Nashville. (Photo not available.)



Webb



Johnson

New York

Craig D. Collins – Receptionist. Craig was raised in High Point, North Carolina and recently lived in Austin, Texas. He arrived in NYC a short time ago to seriously study opera, with the intent of becoming a professional tenor – at the Met! (He is considered a heldentenor, or heroic tenor). Craig has a Masters degree in Sacred Music from SMU and enjoys bridge, softball and jogging.

Jessica E. Hansen – AA, Strategy Services (Peter Brown, Marian Colwell, Larry Lein), Report Librarian. Jessica was born and raised on her favorite island – Jamaica. She spent eight years living and working in Copenhagen, and worked for Hertz for 13 years. Her interests include music (her favorite piece is Verdi's Requiem), baseball (the Mets) and, of course, the beautiful island of Jamaica.

Linda S. Millerick – Strategy AA (Kathy Loftus, Bonnie Brauth, Dudley McIlhenney, Beryl Tucker, Chad Mellon.) Linda is a native of Rhode Island. Her husband is presently an intern on Long Island. Linda's latest love is a puppy named Mason, and her interests include travel, sports, and crafts.



Collins



Hansen



Millerick



Bart

Princeton

Sheryl Bart – Receptionist, Recruiting. Sheryl previously worked at Princeton University Press as secretary to the sales manager. She enjoys reading, aerobic dance, and tennis.

Notable Quotes

I do not know what your destiny will be but one thing I know: The only ones among you who will be truly happy are those who will have sought and found how to serve. – Albert Schweitzer

The happiest people are those who discover that what they should be doing and what they are doing are the same thing.

– from *Reader's Digest*