

the KSA Observer

Volume 17, No. 2

Published by and for the personnel of Kurt Salmon Associates

Fall/Winter, 1986

KSA Shepherds the Acquisition of Blue Bell by the VF Corp

by Dudley McIlhenny

In early June, *John Wilcox* received a phone call from Rob Gregory, CEO of V.F. Corporation. Rob asked John to come by immediately — “something big was brewing” that merited KSA’s assistance. The bottom line was that V.F. was considering the acquisition of the Blue Bell Corporation.

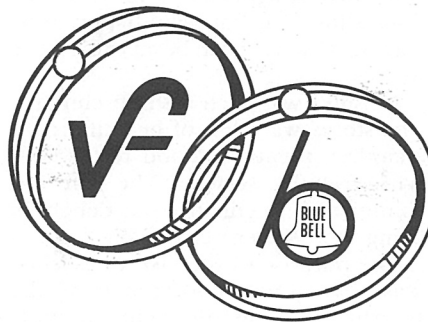
From a financial, organizational, and manufacturing perspective, the acquisition seemed to make considerable sense. However, the key question was “To what degree does the account and consumer franchise of Blue Bell parallel that of H.D. Lee?” This acquisition would result in the largest jeans manufacturing entity in the world and it was essential to know that it would give V.F. broader coverage of the market without merely duplicating existing coverage. Could KSA help?

The timeframe was tight, but the issues focused on three key points:

1. Was each firm equally strong in each region of the country?
2. How did the account structures relate; did they use the same accounts or did each company have dominance in a different channel?
3. At the consumer level, were the brands serving different customers or were they competing directly with each other?

In response, the full power of the KSA/NPD Purchase Panel was brought to bear. Even though H.D. Lee was a subscriber to a competitive market-tracking service, the competitive service could not move as quickly or report as flexibly as could the KSA/NPD database. *Hervey Evans* and *Kathleen Loftus* began an on-line analysis which reviewed the performance of each major brand’s territory penetration, account structure and consumer profile.

Within 10 days we had our answer; the two companies served different channels, had completely different purchaser profiles, and were compli-



mentary regarding regional strengths. The information was immediately faxed to V.F. headquarters and reviewed in a conference call between Rob Gregory and *Bob Frazier* from KSA. As a result, V.F. asked the next question — what is the outlook for the jeans market over the next five years?

Again, the resources of KSA were pressed into action and within another 10 days, the forecasted behavior of jeans, as well as other bottoms, was in the hands of V.F. management. Now that they were reassured that the long-range market potential was there and that there was synergy among the brands of each company, the acquisition activities went forward at full speed. Presumably, KSA’s work had been satisfactorily concluded. We watched the papers and via *John Wilcox* were kept informed of the tentative acceptance of the offer. Everything was falling into place and it looked as if there was no more immediate need for our assistance.

Wrong! The next critical issue was to deal with the FTC. The combination of H.D. Lee and Blue Bell would result in the largest factor in the jeans industry with a total share exceeding 25%. Would the FTC object? If so, how might their objections be countered?

In response, KSA pulled together an analysis of jeans production and

shipments over the last five years that identified key trends and import activity. We then calculated the production and shipments of each of the major manufacturers to document their relative size and impact on the market. Finally, we turned once again to the KSA/NPD Purchase Panel and reviewed trends and brand shares for jeans, shorts, casual slacks, and sweatpants/fleecewear in order to track the relative importance at the consumer level of each major supplier in the overall bottoms category.

All of this information was needed to refute any efforts by the FTC to claim that the resulting acquisition would result in a monopoly or an overly dominant share of the market which would, in turn, constitute restraint of trade for smaller and emerging firms.

Marian Colwell analyzed trademark registrations in the jeans area to prove that the apparent opportunity in jeans was continually growing. This work was further supported by a review of the number of jeans manufacturing facilities in this country in 1978 through 1985. All of this analysis was turned over to the lawyers of V.F. Corporation for their review meeting with the FTC.

One week later, we had our answer. The FTC gave full approval to the acquisition, having been duly impressed with the detailed data provided by V.F.

John Wilcox was complimented by Rob Gregory on KSA’s ability to respond quickly and appropriately to their needs as this acquisition took place. The final signing is now scheduled for sometime this month at which time we will be heavily involved in helping with the integration of these two major clients.

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Chairman's Corner

by Stig Kry

An Interesting Trip to Europe

Just before Labor Day, *Becky* and I left New York for what was to become a most interesting vacation/business trip.

The first stop was London for a meeting with the management committee of our U.K. firm. Business remains bouyant for us in our traditional areas, and once again we can look for a year of progress there. Our efforts at developing new markets has met with some success as we are now well entrenched in the home textile industry. Our several projects for prestigious Royal Doulton China is a particularly large feather in the cap of our European colleagues.

From London, *Becky* and I went to Russia for a week's vacation in Moscow and Leningrad. These two cities are Russia's showcases to the world, so our impression can be expected to be skewed, relative to the rest of this huge country. All of us in KSA are well aware of the importance of incentives in the functioning of the economic systems in the countries in which we live and work. Well, incentives are lacking in so many walks of life in Russia. That simple fact explains many shortcomings. Workmanship is shoddy and much of what one sees by walking the streets is cracking and peeling. The goods in the stores are mostly poorly made, poorly designed, and badly displayed.

The most telling evidence of the inefficiency of the system is the lines of people everywhere. They line up to buy food, ice cream, anything. So much time is wasted that could be used for productive work or relaxation.

Seeing some of the obvious manifestations of the communist economic system, it is difficult to believe that they can ever catch up with the West — they are more likely to fall more and more behind.

On the positive side, both Moscow and Leningrad had pre-Revolution tourist attractions of much interest. The entire Kremlin complex of museums and churches (apart from the official buildings that are off-limits) were notable for the rich content, age and architectural beauty. The Hermitage in Leningrad, the Winter Palace of the last Tsar, is now one of the great art museums of the world. The fabulous collections are almost all pre-Revolution

and the collection of French Impressionist paintings is particularly outstanding.

There would be much else to say about what we saw and did. We came away with a more strongly negative impact of the functioning of the present system, but fascinated by what we saw of old Russia.

As our plane left Leningrad for Helsinki, most passengers broke out in spontaneous applause — most had an interesting visit but were happy to be leaving. One visit can be an experience for life.

Helsinki was such a sharp contrast. The stores were full of beautiful merchandise, plenty of good restaurants, with friendly service. The sun was shining as if to enhance our delight in being in a Western city again.

The purpose of the visit to Helsinki was the annual conference of the International Textile Manufacturers Federation. I had been invited to present a paper on the "Restructuring of the U.S. Apparel Industry." About 200 delegates from a great many countries, developed and developing, attended. My paper was well received and it provoked a spirited debate extensively reflecting the basic conflict between importing and exporting countries.

From Finland we went to Seefeld, Austria, where our German Region held its 1986 staff meeting. In management meetings prior to the staff meeting, we reviewed the progress of our Spanish practice and matters of a pan-European nature. As you may know, our colleagues in the German Region are enjoying what may well be their best year ever. Under those circumstances, it is easy to have a good staff meeting — one could even have a good one in Moscow.

Seefeld is a small resort in a breathtakingly beautiful part of the Austrian Alps. With that setting and that background of success, you can readily understand that the meeting was also a success.

Having already made reference to how well we are doing on the Continent, I just learned that Adidas has come through with one of the largest authorizations in the history of the German company.

This was indeed an unusually interesting and rewarding visit to Europe.

Innovate or Perish

One of our key responsibilities as a leading consulting firm is to be innovative in our services. We set a priority early this year to accelerate innovation in the Firm. This includes all phases of developing our external opportunities; continually developing services on projects; rejuvenating mature services; major new services such as Quick Response and White Collar Productivity; geographic expansion such as the Far East and West Coast; and new market ventures such as HRD, Retail and Recreation Products.

To this end, we have had underway an initial effort at Monthly Innovation Meetings in Atlanta and New York during 1986, which are attended by principals. We've had some exciting topics and a great many innovative KSA people have given presentations on continuing to develop our practice externally and internally.


Major subjects have included:

- How to Innovate — *Mike Barnes*
- Capacity Development Group — *John Stevenson*
- KSA Selling Process — *Pete Cleaveland*
- Sales Force Management — *Larry Lein and Jim Kirby*
- Administrative Productivity — *Peter Brown and Barry Moore*

As a part of this, KSA will be giving periodic awards for the most innovative effort including the subject, the presentation, and the post meeting follow-up and documentation.

We are pleased to announce that the first such award goes to *Mike Barnes*. Mike is one of the driving forces behind innovation within our Control practice and, in fact, was the chief architect of the Strategy Audit Review Committee's emphasis on innovation. His scintil-

cont'd on p. 5

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

From the President

We are approaching the close of a year that is notable for a number of milestones in the development of our Firm. The most significant include:

- Formation of a strong full-service national Healthcare Practice, operating from a base of six offices in Minneapolis, Atlanta, San Francisco, Washington, Dallas, and Boston, with three key service groups covering Strategy, Operations, and Facilities; this was accomplished by the merger of Hamilton Associates and HSD. Healthcare has become the second largest market in the Firm through the efforts of *Barry Moore, John Sweetland*, and all of our colleagues in Hamilton/KSA.
- The Retail Practice becoming truly full-service by the addition of strong talents in Strategy, Operations and Control to combine with the significant base in Distribution. Retail is now the third largest market in the Firm through the efforts of *Jim Giddings* and many others.
- The Far East practice coming of age: in volume, over \$1,000,000; clients, the biggest and best; and geographic dispersion, with client service in Korea, Thailand, Malaysia, Hong Kong, Taiwan, and Japan in '86 alone through the efforts of *Jim Trautman, Paul Tsang, Chuck Gilreath, Doug Rogers*, and a number of others from the U.K., Germany and the USA.
- Achievement of our two year intake goal as set in the Fall 1984 issue of the Observer of "fifty for the next fifty." We added 50 consultants to the USA staff and 18 to Europe, in addition to our new colleagues from Hamilton. *Ron Brockett* and *Marian Crandall* and the service groups in the USA and Europe did a superb job in meeting our target.
- Achievement of a nationally prominent position in Quick Response through *Bob Frazier's* leadership. This is an umbrella concept covering retail, apparel, textile and related markets. Quick Response ultimately will do as much to improve the overall competitiveness of the soft good systems as industrial engineering did in the '40s through '60s.
- The two new business ventures of 1985 . . . KSA/NPD and CDG, both achieving breakeven or better, ahead of schedule, due to the efforts of *Dudley McIlbenny* and *John Stevenson*, respectively, and their colleagues.

- Continuation of providing new service initiatives to our chosen markets as exemplified by: introduction of KSD-II, the premier standard data system for soft goods, which brings together the best of KSA's experience base, and MTM; and a recent joint venture agreement with Focus Systems of Marblehead, Massachusetts, for KSA to market and install the best retail sales floor scheduling system in the country.

All of these have required major investments of time, and in some cases capital as well. This has negatively impacted our 1986 financial performance more than we originally expected as has the continued downturn and maturing of domestic soft-goods manufacturing. However, these milestones are significant in what they individually and in aggregate portend for the future . . . the evolution of KSA, Inc. into the premier full-service consumer products and services consulting firm in the world.

We have retained the position of the "best in the business" in apparel operations, and established top-flight credentials in other areas. We now have five major service groups with a very desirable balance in share of our practice. The strength through diversity and synergy of our Strategy, Operations, Information Systems, Distribution and Healthcare practices allows us to serve our clients uniquely well. This has been accomplished by the extraordinary efforts of all of our current 328 consulting and support colleagues worldwide, and the efforts of the alumni of Hamilton Associates and Kurt Salmon Associates who contributed so much during their tenure.

We have aggressive plans for 1987 as well. This includes additions in personnel and/or expanded services in every region, market, and service group in which we now operate. Market needs are great and it is our challenge to find ways to fill clients' needs. Major areas for emphasis include:

- Accelerating the repositioning of our Operations practice by adding new higher value-added services . . . covering existing and new markets . . . based on productivity of all assets in a business.
- Additions to Hamilton/KSA staff in each of the service groups in response to strong market opportunities.

- Capitalizing on the opportunities created by the concept of Quick Response in all four consumer products division service groups.
- Capitalizing on the opportunities created by *Tony DeMaria, Todd Barr*, and others in the Distribution group in retailing over the years and the newly expanded retail core group of *Jim Giddings, Bernie Wolford, Craig Van Fossan, Pete Cleaveland, Neil Thall*, and *Tish Nix*.
- The expansion of our Control practice to broader projects, more implementation, and potentially new methods of client service delivery. MIS is the world's biggest consulting market.
- Further development of administrative productivity, organization development, sales management and consumer marketing services in our Strategy group to couple with marketing and strategy diagnostics.
- Solidification of our more recent regional expansions in Hong Kong and the West Coast. *Butch* and *Linda Price* will be moving to Hong Kong around the first of the year as *Butch* is taking on a three year term as the Far East Practice Leader. We will also add significantly to our West Coast based personnel.

There are other initiatives for implementation in 1987. However, these seven are the most significant in terms of resource commitment. Consulting is a professional endeavor requiring constant renewal and investment. We are fortunate to have the financial strength to make the investments that benefit our clients and therefore the Firm over the long haul.

In the years ahead we will view the 1980s as a period of significant change in the Firm, as change is a necessity in any organization that competes favorably with the best that the world has to offer.

As change accelerates, we will always see the constants of the Firm imbedded in all that we do: client interest first, integrity, respect for the individual and family, results orientation, financial soundness, and leadership and innovation in our chosen professional disciplines in order to achieve that special excellence that is the hallmark of the Firm.

Our best to everyone for the Holidays and the New Year.

— *Dave Cole*

Communications Department Report

KSA's Traveling Wheel of Fortune

Exhibiting and attending a trade show is similar to playing "Wheel of Fortune;" there's the opportunity to score big with a log of cash (or contacts), or go home with an overpriced brass duck doorstop.

From early summer through fall, KSA and Hamilton/KSA took the traveling road show to four trade shows and walked away with big prizes from all shows.

The first stop on the trade show circuit was Montreal's National Apparel Technological Show (NATS), which marked the first time KSA has exhibited in a Canadian apparel trade fair. Assisting in set-up, and breaking the often-encountered language barrier, were *Michel Cardon*, *Norman Gagnier*, and *Denys Williamson*.

In spite of the fact that Pat Sajak and Vanna White weren't part of the KSA contingent, KSA worked to forge valuable relationships. *Zeb Roberts* introduced KSD-II and assisted *Michel Cardon* with microsystems, and *Libby Morgan* marshalled the PLATO® demonstration. *Bob Frazier* and *Denys Williamson* were the front men, and *Steve Webb* from the U.K. gladhanded, toured and observed. *Norman Gagnier* served as official hospitality chairman as he chose the trendiest restaurants and ferried us to them.

Next stop on the "Wheel of Fortune" trade show tour was the American Hospital Association (AHA) Convention

in Toronto. Marking the debut of the merged Hamilton/KSA, the show offered executives from Hamilton Associates and Kurt Salmon Associates an opportunity to become better acquainted.

There were several firsts at this show. Hamilton/KSA sponsored the first annual AHA Fun Run, a 3-mile event that covered a winding waterfront course.

Over 200 participants (the most ever in the Run's history) awakened at 5:30 a.m. to participate and win a t-shirt. (Bet Pat and Vanna never get up that early, even on the road.) Hamilton/KSAers tugged on their own Fun Run Shirts and trundled over to the race start.

Neil Akemann signalled the Start, *Dave Cole* served as pace runner, *Chuck Heinemann*, *Dave Danberg*, *Bucky Knowles*, and *Dick Sawyer* policed the course, and *Barry Moore* was the turn-around marker. *Anne Robison* and *Beth Souther* were assigned the difficult task of passing out t-shirts, congratulating runners, and managing the food. *John Sweetland*, who offically opened the booth that morning since all the other Hamilton/KSAers were frolicking on the Fun Run course, declared the event a resounding success.

AHA also marked a new contest instituted by KSA's Communications Department. The consultant who makes the most verifiable contacts during a trade show wins dinner for him/herself

and a guest in their base city, compliments of the Communications Department.

Anne Robison made over 50 contacts at AHA, and she and spouse, *Gerald*, enjoyed a dinner at *Nicholai's Roof* in Atlanta.

The "Wheel of Fortune" crew carried the show to Atlanta next for the International Woodworking Fair (IWF) where KSA's furniture practice was showcased. Our furniture industry image has made a marked improvement from the days when KSA's booth was placed next to the buzz saws.

Weekend crowds exceeded all expectations and, thanks to *Ed Rader*, *Jerry Armfield*, *Mac Ryland*, *Frank Armistead*, *Tom Gibson*, *John Champion*, *Ken Osborne*, and *Dianne Gunn*, KSA made many valuable contacts. By the last day, trade show traffic had diminished and *Mac Ryland* and *Kelly Felker* wished they had a "Wheel of Fortune" brass duck to give away. Maybe next year.

Final stop was the Bobbin Show. Almost every Atlanta-based KSA consultant and a significant number of professionals from all other KSA offices participated in some facet of the Bobbin Show. KSAers led the TAC breakfast, assorted other breakfasts and luncheons, seminars and meetings, and *Bob Frazier* was highlighted in the Crafted With Pride presentation at which a video was taped. (Tickets to see Bob on film, \$1.25. Complimentary popcorn.)

A reported highlight of the Bobbin Show is usually some professional accomplishment. This year's highlight was different. Every year *Jack Ullman* (Mr. Charitable) volunteers the storage room to clients to store their briefcases and luggage and welcomes them to make use of the phone, pads and pencils, and any available soft drinks.

This year a client made himself comfortable in the storage room, but when he had finished his phone calls and was ready to leave, the door jammed. As various KSA consultants tried to release him, the door knob fell off both sides of the door and he was locked in. Someone asked him if he was a client. He responded, "yes." Someone asked if he'd like to sign an authorization form while he waited to be freed. The client didn't see the humor in that. Pat and Vanna, where are you when we need you?!

— *Beth Souther*



KSA's July Training Class



Front row, l to r: *Peebles, Wilson, Hunt*. Second row: *Stanley, Robey*. Third Row: *Sadd, Henschel, Sagastume*. Fourth Row: *Strombom, Dabbiere, Shao*.

1. *Sean M. Henschel* - BSIE, West Virginia University; Age 22; Single; Hometown: Morris Plains, NJ; Assigned to Distribution.
2. *John L. Peebles* - MBA (1st year), The Darden School; Age 27; Single; Hometown: Lawrenceville, VA; Previous experience with Peebles Department Store in Retail Sales; Assigned to Strategy as Summer Intern in Atlanta.
3. *Kenneth Shao* - ME, Cornell University; Age 25; Single; Hometown: Hong Kong; Previous experience with IBM as summer Pre-Professional in designing database; Assigned to Operations in Hong Kong.
4. *Dorothy W. Sadd* - BS, Purdue University; Age 21; Single; Hometown: Toledo, OH; Previous experience with Texas Instruments as an Applications Programmer; Assigned to Control.
5. *Jon E. Strombom* - BSIM, Georgia Tech; Age 23; Single; Hometown: Cartersville, GA; Previous experience with Hayes Microcomputer Products in Production Scheduling and Megaplex Research as an Electronics Technician; Assigned to Distribution.
6. *Lisandro Sagastume* - MSIE, Stanford University; Age 24; Single; Hometown: Tegueigalpa, Honduras; Previous experience with University of Honduras as an Instructor in the Industrial Engineering Department; Assigned to Operations.
7. *Alan J. Dabbiere* - MBA, Indiana University; Age 24; Single; Hometown: Indianapolis, IN. Previous experience with Indiana University as an Associate Instructor and Wishard Memorial Hospital as a Lab Tech; Assigned to Control.
8. *Lanell K. Stanley* - MBA, UCLA; Age 32; Married (*Christopher Drasbek*); Hometown: Modesto, CA. Previous experience with Emporium Capwell Company in Store Management, Finance Division, and C.H. Dunlap Company as a Buyer; Assigned to Strategy in Atlanta.
9. *P. Brooks Robey* - MBA, University of Virginia; Age 26; Single; Hometown: Boston, MA; Previous experience with Touche Ross & Company in System Analysis and Electronic Data Systems in Systems Engineering; Assigned to Strategy in Atlanta.
10. *Elizabeth C.S. Wilson* - 2 (I) Geography, University College of Wales; Age 26; Married (David); Hometown: Wolverhampton, England; Assigned in 1981 to Micro in U.K.
11. *Allen R. Hunt* - BA, Mercer University; Age 22; Single; Hometown: Lakeland, FL; Previous experience with Sammons & Company as a Research Analyst and Baxter Evans & Company as assistant to Property

Manager. Assigned to Strategy as Research Analyst in Atlanta.

Not Pictured:

12. *Michael P. Harristhal* - MBA, St. Thomas College; Age 33; Single; Hometown: Minneapolis, MN; Previous experience with Covondelet Community Hospital in Health Care Systems and Digimed as Executive Vice President; Assigned to Hamilton/KSA, Minneapolis.
13. *Robert Rieth* - MBA, Columbia University; Married; Hometown: Highland Park, NJ; Previous experience with Eugene O'Neill Theater Center as an Associate Director; Assigned to Strategy in New York.
14. *Laura Dean* - MBA (1st year), The Amos Tuck School; Single; Previous experience with Wertheim & Company, Inc. as Security Analyst and The Boston Company as a Research Assistant; Assigned to Strategy as a Summer Intern in New York.

Innovate

cont'd from p. 2

lating March presentation on the subject of *How to Innovate* held the attendees at Atlanta and Princeton spellbound for nearly two hours of presentation and lively discussion.

Mike will be given his award during November's innovation meeting in New York. There will be a second-half award presented at our January meeting.

The subjects chosen for the remaining two innovation meetings are as follows:

- November meeting on Quick Response with *Peter Harding, Jerry Armfield, Craig Van Fossan, and Bob Frazier*.
- December meeting on Sourcing Implementation with *Butch Price, John Stevenson, Jim Trautman, and Ken Osborne*.

For 1987, we plan to have an even more vitalized series of innovation meetings with innovating ideas and participation by a broader group. Innovation is the life blood of our practice and too many great innovative ideas have been buried on a client project or interim report without being communicated within KSA and externalized commercially. If each member of our Firm can reflect on ways to innovate, the goal of innovation is bound to grow exponentially. We have a good start on improving this process in 1986 and will make it a way of life in the years ahead.

— *John Wilcox*

News from KSA Alumni



Tony Greene is president of Stevens Sportswear Company. He and wife, Nancy, live in Hattiesburg, Mississippi. Son, Tony, is a senior at Tulane University. Daughter, Laura, is a senior in high school. Tony notes: "This month, Nancy and I celebrate our 25th wedding anniversary. Putting up with me for 25 years is some achievement on her part." Tony is also club champion in tennis for 1986.

Jim Fry is President and CEO of Ti-Caro. He and wife, Carol, live in Gastonia, North Carolina. They have six grandchildren. Jim says: "As a result of LBO in May of 1984, I now owe more money than all active and alumni KSA personnel combined!!"

Dwight Totten is Director of Operations, Planning and Engineering for Carter Hawley Hale Stores. He and wife, Kathy, live in Palos Verdes Peninsula, California with son Daniel, 7, and daughter "Ms. Liz," 3. Dwight notes: "We're enjoying the California beach and ski life, but are getting jet lag from trying to use the sailboat remaining behind on the Chesapeake in Virginia."

Ron Chisenhall is VP of Operations for the Olga Company. He and wife, Mary B., and children Ronnie, 16, Caryn, 13 and Marian, 11 live in Oxnard California. Ron enjoys fishing on the Pacific and says "Stop by if you're out this way."

Mahlon Saibel is Senior Marketing Consultant for Gerber Garment. He and wife, Janice, live in Cherry Hill, New Jersey. Daughters Phyllis and Claire are fine and granddaughter, Holly, 3, is super! **Ted Horsley** is Executive Vice President at Hartwell. Wife, Judy, teaches high school biology and drives "taxi" for children, Julie, 13, Susan, 14, and Lynn, 17, who are all very involved in school activities. Son, Todd, 19, is first year pre-med student at Hampton-Sydney. Says Ted, "It's hard to believe it's been almost 10 years since I left KSA."

KSA Spain

After a long period of recession, the apparel and textile industries are showing signs of an upturn. A visible sign of that was the high level of attendance at the Barcelona Apparel Machinery Exhibition last April. KSA exhibited for the first time, which proved to be a great success. We were busy throughout the exhibition with clients and an important number of new contacts.

We have just completed a study for the United Kingdom Economic and Development Council, of export opportunities into Spain for UK apparel, knitwear, and home textiles. *Salvador Cors* carried the major load of the project.

Since his return from the USA, *Oscar Vaquerizo* has been involved in work in Portugal, mainly an AAMT installation for a footwear factory. *Francisco Reig* also participated in the project. Both were under the supervision of *Jaime Tusell*.

Interest is growing for our services in collection planning and merchandise planning and control. In order to strengthen our position in the control areas, we have recruited *Miguel Gomes de Sanabria*, 25, who has good experience in micros. Miguel will join us at the beginning of the year.

With the growth of our practice, our office became too small so we recently moved into a larger office next door. We now have a more comfortable place to work and to meet with clients.

The improvement in business climate does not mean that problems for the industry are over. As a result of EEC membership, import tariffs will be down 25% by the end of the year; the pinch of imports is being felt already. A great deal still needs to be done for the industry to adapt to an open market situation. KSA has an important role to play in the adjustment.

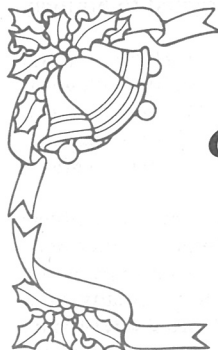
— *Alberto Figa-Beleta*



Jaime Tusell (L) and Alberto Figa-Beleta in KSA's new booth at the Barcelona Machinery Exhibition last April.

KSA's Christmas Card Fund

142 participants
109 different causes
\$11,105 total



Alumni Focus:

Jim Hicks

It is indeed an honor to have been asked to address such an esteemed group in this Holiday Issue of the *Observer*. A topic of any interest whatsoever for such a diverse group must surely start with what we have in common . . . KSA.

Reflecting on my KSA years leads me to reflect on my career in general. As I pull together mental images of the three stages of my career, it's almost like looking through a picture album. Since many of you shared the contributing events with me, I'd like to share some of the more memorable (and edited) parts of my "album" with you:

Snapshots From the KSA Years (1972 - 1981)

Hearing a KSA'er in 1972 enthusiastically describing the super consulting firm he had recently joined . . . on my first day, feeling excited about starting a new career with some first class people, *Bob Pee*, *Bill Cameron*, *Linda Keel*, and the class of '72 . . . entering a dark factory in Nebraska City with *Ron Chisenball* on a cold, dank morning to begin my "follow-up" career . . . talking with *Jack Ullman* from our trailer in Plattsmouth, Nebraska about his concerns over taking a pregnant *Lucy* to Puerto Rico for a 6-month assignment . . . studying Spanish nightly at the Mayaguez Hilton while drinking Don-Q rum . . . watching our client laugh at us when *Nort Eberly* announced we would reduce the cutting room staff from 21 to 7 (we took it to 5) . . . *Lutz Kohnagel* arriving at the hospital with a teddy-bear for our newborn son, *Jason* . . . nervously entertaining *Jack* and *Evelyn* in our home in Mayaguez . . . drinking Mexican beer in a hot and crowded VW Van on the daily 50-mile trip back to Texas from a Bayly start-up in Mexico . . . watching *Lucy* cry real tears upon hearing from *Howard Cooley* about yet another border assignment . . . feeling like we'd died and gone to heaven upon rolling into Los Angeles for a project with *Jim Trautman* and with the dreaded Mexican border in our rear view mirror . . . gaining a temporary social/tennis membership in the Arab, Alabama Country Club for \$12 a month . . . officially and finally achieving "settled" status and having a party thrown in our honor by *Bob* and *Rita Langley* . . . making a formal presentation in the Sears board room with *Jim*

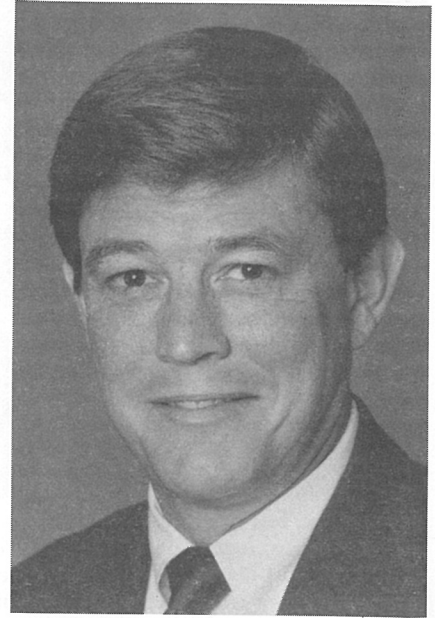
Giddings, *Rudy Greer* and *Glenn Larson* . . . singing the KSA Fight Song at Callaway in 1976 and having Kurt ask for a copy of the words . . . arriving in Nicaragua the very day that Somoza was assassinated in Paraguay . . . nervously making my first presentation to *Howard Cooley*, the client, at Jockey . . . surviving a major Mexico City earthquake while staying on the 13th (lucky) floor of the Holiday Inn . . . watching *Doug Rogers* beat out *Mike Brent* to win The First KSA Road Race at Callaway in 1980 . . . also at that same conference, seeing the buckets of tears following the special tribute to Kurt and Bob in the All New Old Original KSA Fight Song . . . receiving my 9-year KSA Clock at a farewell party at the home of *Hal* and *Alison Wilson* in 1981.

Looking back over these "snapshots" makes me wonder why I ever left KSA. There were obviously many good times and wonderful learning experiences. All of these served to prepare me for the next phase of my career:

Snapshots from the Line Management Years (1981 - 1986)

Making my opening address to a group of beaten down managers in the Division of Oxford that had lost money for more than a decade . . . sitting in my office by myself wondering what to do first to begin a turnaround . . . having a "large warehouse manager" standing by for bodily protection while firing a senior manager for blatant violation of our conflict of interest agreement . . . doing product development at the Surfing Championships in Hawaii with the founder of Hang Ten and Lightning Bolt . . . regularly joining *Howard Cooley* and *Bob Langley* for KSA Alumni discussions during M.A.G.I.C. shows in California . . . being unbelievably nervous during my interview with Ralph Lauren before being named President of Oxford's Polo for Boys Division . . . wondering what I'd gotten myself into while crawling around under houses learning how to kill termites for Orkin (Division of Rollins) . . . realizing throughout my line management years that I was doing a series of consulting projects; the difference was that the projects did not include final reports.

Somehow the above list doesn't quite compare to the first list in terms of frequency of memorable experiences. As *Lucy* has often said, my "highs" were very exciting but much less frequent in



line management than they had been in consulting . . . and I realized shortly after leaving KSA that there were some things I would continue to miss:

- (1) Constant interaction with a high level of peers
- (2) Regularly changing environment and activities
- (3) Relative independence and freedom
- (4) Frequent completions and feelings of accomplishment

The Beginning of the Egon Zehnder Years (Sorry, No Snapshots)

Perhaps some of the things I missed about KSA led me to make a conscious decision earlier this year to leave Rollins and return to consulting as an executive search consultant, unfortunately known by some as a corporate headhunter, with Egon Zehnder International. Of paramount consideration in joining the firm was the same major consideration that I remember when joining KSA, and that was my perception of an exceptionally talented group of first class professionals. (We deserve at least one little plug!)

This third stage of my career has provided me with a permanent Atlanta base as well as a prime opportunity to keep in touch with friends and former associates in the years ahead. These two things make us feel particularly thankful as we celebrate with our two children, *Jason* (13) and *Diana* (7), our 17th Holiday Season in our 21st abode.

Merry Christmas!

Introducing: Hamilton/KSA's Minneapolis Office



Back row, left to right: *Chuck Heinemann, Bruce Miller, Gil Langseth, Al Balborn, Mike Harristhal, Kevin Koebler, David Ping, Bob Larson, Barry Moore (Hamilton/KSA Atlanta), Neil Akemann, Jerry Bieter, Chuck Boyer, Chuck Killian, and Grant Krause.* Front row, left to right: *Carolyn Korbel, Jean Mitteco, Margaret Roos, Lilab Mangen, Ruth Stryker-Gordon, Boya Polymeros, Mary Carr, Karen Fitzgerald, Kathleen Prior, Karen Taylor, and Susan Hann.* Not pictured: *Dick Sawyer, Dave Damberg.*

Hamilton/KSA Hosts AAHC Board at June Retreat

Chuck Heinemann, Hamilton/KSA Principal and director of the Equipment/Systems Group in Minneapolis, is the 1986-87 Chairman of the Board of the American Association of Healthcare Consultants. The AAHC is the national professional association for healthcare consultants, and currently has 187 members practicing in 57 affiliated firms. Many of Hamilton/KSA's consultants are nominees, associates, members, or fellows of the AAHC.

On June 25 and 26, 1986, the AAHC Board held a retreat at Hamilton/KSA's Minneapolis office to develop goals and objectives for the coming year. Seven AAHC officers and board members, three committee chairpersons, AAHC President Vaughan Smith and staff assistant Tracy Sanches were present for the two-day event.

Those attending received a briefing of the AAHC's Marketing and Public Education plan, designed to increase public awareness of healthcare consultants in general, and AAHC members in particular. In addition, the group worked on committee charges and membership for the coming year, and drafted the operating plan and budget.

Evening events included a dinner at the Heinemann's home in Minnetonka,

Introducing: Hamilton/KSA's San Francisco Office



Left to right: *Rich Fung, Maureen Morris, David Odell, Cris Keeney, Tom Heckler.*

and a chance to experiment with eForum, an electronic meeting program developed by Network Technologies International (NETI) for use on PCs with modems. The AAHC is evaluating use of this program by board and committee members as a means to enhance communication and reduce the need for attending a meeting to conduct AAHC business. The eForum program is also available to AAHC members to use in their own business activities.

The Minneapolis location and use of the boardroom and other facilities at Hamilton/KSA helped contribute to a full and meaningful board retreat for the AAHC.

We have opened a Hamilton/KSA office in the Boston area to serve New England.

The office address and telephone number is:

P.O. Box 2838
Duxbury, MA 02331
(617) 934-7408

John Sweetland is in charge of the office.

A health care staff consultant will also be based in Duxbury in the near future.

The 1986 UK Staff Conference . . . A Staff Man's Perspective

by Kevin Smith

The UK staff conference took place in early October at the Cottons Hotel in Knutsford, Cheshire. Consultants rushed from all over Europe — Russia, Norway and Dunham Forest Golf Club, to attend the record breaking event — a record number of consultants for dinner and a record number of presentations the following morning.

The growth in the UK practice since the European conference last year was evident when cocktails were served before the meal with comments such as "Oh, sorry, haven't you met before?" and "Hi, I'm Richard," floating around the room. Eventually, having determined that there were no gatecrashers, we were called to our tables.

Preparation for the event had been intense, the Apple Macintosh in the office had little or no off standard time during the previous week as staff and principals jockeyed for the opportunity to produce their presentation slides.

After dinner, as the port, cognac and coffee were served, an air of anticipation spread across the room, for the awards were soon to come. The chairman of the 'committee,' *John Beddows*, introduced *Rod Gunston* (handicap 9.6) to present the award for the annual golf tournament. Rod, generous in defeat, announced that *Steve Webb* had pipped the field at the last hole and taken the spoils (A box of golf balls!) *Alan Braithwaite*, for the second year running, accepted the wooden spoon 'for a valiant effort.'

The second award was for the annual squash competition. *Malcolm Newbery*, the holder, returned the trophy to *Steve Humphreys*, the organizer, before the dinner. Steve, the runner up, then graciously presented the cup to the eventual winner . . . Malcolm. For his unmatched performance in failing to take the court during the tournament, *John Beddows* was presented with a wooden spoon for having his name on the list!

The 3rd award of the evening for the Ample Spare Time Cup, was presented to *Patrick Moylan* with this testimonial: "In his ample spare time, Patrick has achieved much this year. Most notable was his participation with the 'Red Mowers' (second cousin to the famous Red Arrows flying display team), who provided superb entertainment at his local village fete during the summer! Well mowed, Patrick!"

The following morning, the conference itself started with *John Beddows'* review of the business status in the UK. The billing and backlog figures confirmed what the staff consultants' weary minds and limbs had already told them: We need more staff consultants! John went on to tell us about the immediate recruitment plans. There followed five very different and interesting presentations covering such topics as Engineering in Fashion, KSD-II, The Royal Doulton Story, Developments in Retailing, and Micro Installation at Stuart Mensley.

The conference concluded with a

discussion of the role of supervision in the UK practice: "Supervision — are we getting it right?" *John Heyworth* chaired the session and presented summaries of questionnaires completed before the conference by the staff consultants.

These provoked animated discussion and generated positive suggestions as to how the supervision of projects might be improved to our and the clients' benefit.

The whole weekend was superbly organized, and was enjoyed by all. I trust that KSA'ers who joined since last year will be ready with their presentations next year!

Computer Based Supervisor Training at Webb Corbett

Webb Corbett, the Stourbridge-based full lead hand-cut crystal manufacturer, has recently begun a Plato® program of supervisor training. The course was specially developed for the cut glass industry.

A notable feature of the training course is the use of an IBM-XT microcomputer. Students schedule time on the computer when convenient for them, and work through lessons in four subjects — Work Study, Quality Control, Cost Control and Operator Training.

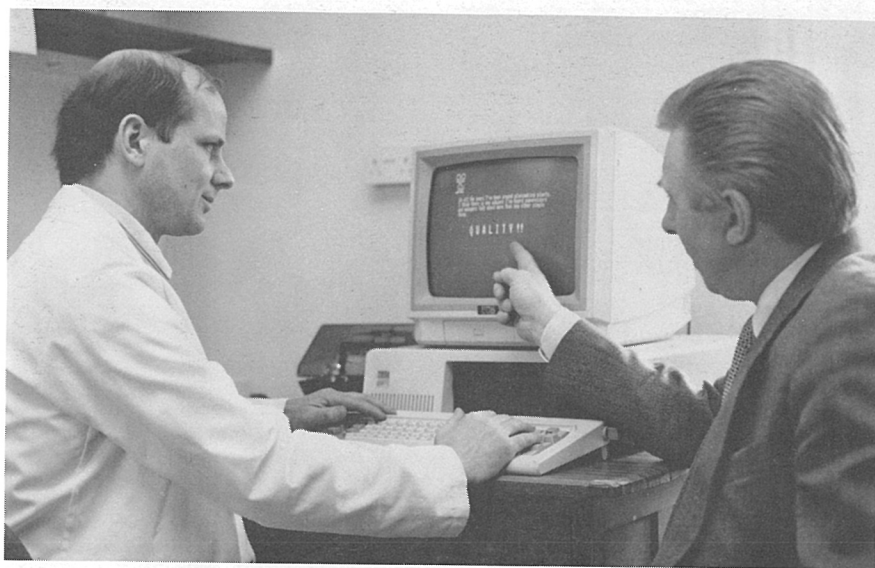
Each of the 20 computer sessions is accompanied by a special project that develops the supervisor's new technical and administrative skills on the shop floor. For the student's guidance and future reference, summaries of the com-

puter lessons and details of the projects are provided in a workbook.

An important feature of the program is the degree of support given to the students by Webb Corbett's senior management. A 'tutor' assists the students as they work through the program.

The course takes two hours per week of each supervisor's time and will last 16 weeks. Senior management foresees significant benefits in the areas of operator performances, excess costs and defect rates.

Editor's Note: This article recently appeared in *Glass Industry Magazine*, which is produced by Glass Training Limited — a government sponsored training organization.



Milestones

Congratulations to

Dale and Sherrie Graham on the birth of a daughter, *Rebekah Jean*, on October 9.

Geraldine and Kevin Carter on the birth of a daughter, *Shenita Audrey*, October 24.

Where . . .

- does the prospective client meet you at your hotel in the morning and present you with a red rose?
- does the prospective client's staff applaud at the end of a sales visit?
- is the Deputy Minister for Light Industry an attractive 35 year old brunette wearing clothes straight from the Rue St. Honore?
- does the prospective client present you with a bottle of brandy to "prevent boredom in the evening?"
- does the prospective client organize an escorted tour of the city so that you don't need to open the bottle?
- do the (lady) client engineers model the range (ladies' coats) during a sales visit?

Answer: The USSR, which Alan Braithwaite recently visited.

New Consulting Staff

West Germany

Dominik L. Zuborn — Distribution. Dominik has an education as Diplom-Wirtschaftsingenieur with a diploma from the University of Hamburg. He gained his logistic experience as project manager at Bertelsmann-Book-Club France Loisirs in France and as a consultant for A.T. Kearney in Düsseldorf.

Dominik lives with his wife *Gudrun* and three children in Marienfeld. He enjoys waterskiing, squash and listening to classical music.

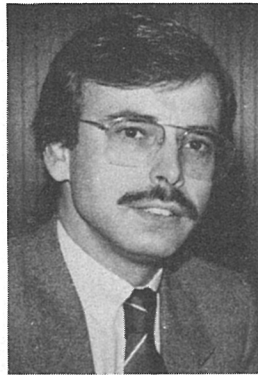
Andreas Mahnel O + D Division. Andreas did his engineering studies in Mönchengladbach. During this time he worked part-time for several companies. He has experience in trading garment and textiles.

His favorite hobby is skiing.

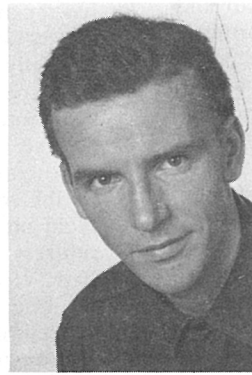
Switzerland

Henry L. Riedwig has joined KSA "Continental Europe," and is expected to build up KSA's Human Resource Development Services. He offers training to all West European customers, since he speaks several languages. Henry's background — a Masters Degree in Public Relations — and his license for Gordon Trainers ("Leader Effectiveness Training" and "Sales Tech") will help him to manage his primary duties of generating human energy.

Henry and his wife, *Teresa*, have 3 children: Rachel (8), Benjamin (4) and Eli (2). Henry lives near the Lake of Zurich and the airport; he addresses an open invitation to all KSA members visiting Europe.



Zuhorn



Mahnel



Riedwig

Peachtree Road Race



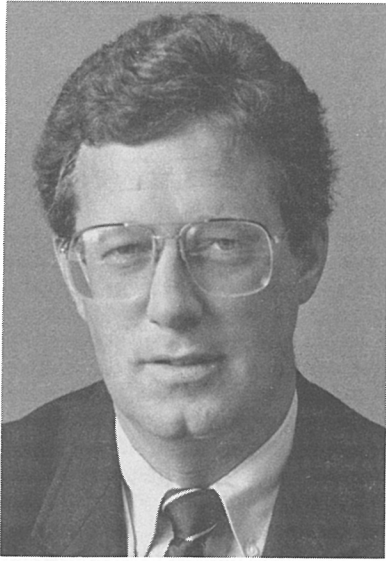
KSA is living proof that health and fitness is a vital part of Atlanta life-styles. The 1986 Peachtree Roadrace was the event, and Dave Cole's annual "cool down" fest was the place. Over 20 KSA'ers ran in the event, and were supported by ten others who volunteered to work on the race in support of our runners as well as the other 28,000. This year's Hippomenes Cup (for the prevention of sloth and inertia) went to *Susan Parker* and *Torrie Crupie* — two folks who have never known the beasts and probably never will.

— Ron Brockett

Departures

Constantine Campaniaris
Craig Whitson • John Dye
Susan Kuhnemund

Promotions



Van Fossan

We are pleased to announce that *Craig Van Fossan* has been promoted to Principal.

Craig received a B.A. degree in Economics from St. Olaf College in 1972 and an M.B.A. from the University of Minnesota in 1974. He joined KSA early last year after extensive retail experience with Dayton-Hudson Department Stores and General Mills.

During his retail career, Craig performed many jobs, including sales manager, store manager, buyer, director of planning and control, general merchandise manager, vice president of stores, and vice president of operations:

Most of Craig's time with KSA has been as a member of the Northeast Strategy Group, working with both retail and PCP clients. More recently, he has been one of our most active participants in promoting and delivering Quick Response and in developing our sales floor consulting services. We look forward to his continued contributions to our practice.

Craig lives in Mendham, New Jersey, with his wife, *Sher*; and son, *Noah*. Please join me in congratulating him on his continued success.

We regret to inform you that George Landenberger, who joined KSA in August, died of complications from pneumonia Saturday, November 1. He had been in the intensive care unit at Emory University Hospital for some time. Our condolences to his family and friends.



Moylan

Patrick Moylan was promoted to Principal in January, 1986. Prior to joining KSA in 1983, he held a senior executive position with F.W. Woolworth. Earlier, he worked in civil engineering and local government.

He holds a degree in Economics and qualification in Administrative Management and Management Services.

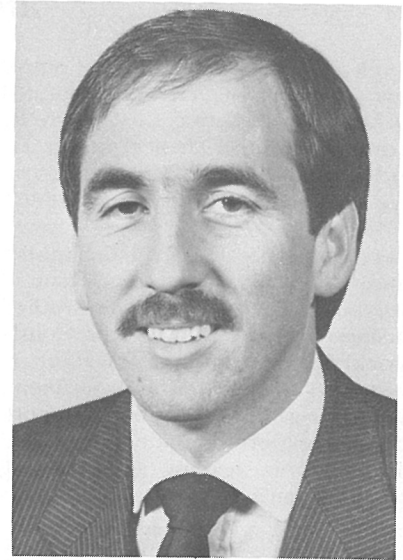
Patrick has demonstrated his ability and versatility in a wide range of projects in marketing and merchandise control. He is now involved in developing the UK retail practice.

Patrick lives in Wiltshire with his wife *Christine* and their two sons.

Why Not Wednesday? . . .

KSA speakers delivered messages on five different days during the week of September 8th. On Monday, *Peter Harding* addressed a children's wear group on Quick Response; on Tuesday, *Dudley McIlbenny*, *Craig Van Fossan*, *Larry Lein*, and *Ken Osborne* addressed a marketing seminar of the Clothing Manufacturers Association; on Thursday, *Randy Nord* spoke about new information technology and QR before a group of Japanese retailers at FIT. All of these were in New York City. On Thursday and Friday, *Sergio Cruz* and *Geoff Gibson* conducted a seminar in the Dominican Republic, and on Saturday *Bob Frazier* spoke to retailing, apparel, and textile leaders at a DuPaatch meeting at Amelia Island. On Wednesday we talked to ourselves.

— JS

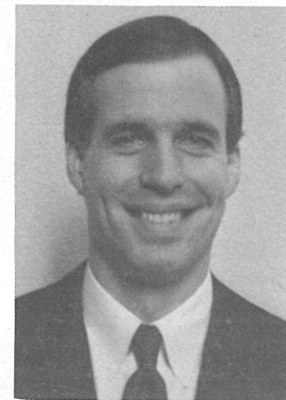


Norris

Steve Norris was promoted to Principal in July, 1986. Steve has worked for a wide range of clients in the Operations practice since joining KSA in 1981. Steve most recently worked in HCP and has helped clients with products as diverse as rucksacks, pottery and bedding.

Steve has a BSc in Mechanical Engineering from Imperial College, London, and is a Chartered Engineer. He is married to *Lynn* and has two young children; the family has just moved home to Cheshire.

New Senior Consultant



Wietecha

Mark Wietecha — Mark joined KSA in January of 1985 as part of the Health Services Division (now Hamilton/KSA). He has served such clients as Dartmouth-Hitchcock Medical Center, American Medical International, Memorial Hospital of Ormond Beach, and Parkway Regional Medical Center.

New Office Staff

Atlanta

Hugh Beasley — Programmer, Control Services Group. Hugh recently relocated to Atlanta from Kansas City, where he worked at Truman Medical Center. He and wife, *Melodie*, and daughter, *Robyn*, live in Marietta. (Photo not available.)

Ami Corless — AA, CDG/Spanish Translator. Ami is a recent graduate of Brenau College, where she studied business administration. She previously worked for Marvin L. Walker & Associates in their traffic department, where she gained experience in importing and exporting trade/traffic. Ami enjoys tennis, reading and studying foreign languages.

Mindy Fisbeck — Distribution. Mindy recently relocated from Port Arthur, Texas, where she worked for Sabine Towing and Transportation as a marketing and chartering representative. She has spent a number of years in the coordination of ocean-going tankers and inland tug/barge fleets. Mindy enjoys camping, biking and canoeing.

Mike Hankinson — Programmer, Control Services Group. Mike has a BA in Information Systems from Georgia State. Prior to joining KSA, he worked for Fulton County (Atlanta).



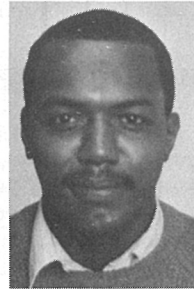
Corless



Fisbeck



Hankinson



Montgomery



McGregor



Spann

Beth McGregor — AA, Recruiting. Beth recently relocated to Atlanta from Williamsburg, Virginia. She worked for the College of William and Mary as their Recruitment Coordinator; she coordinated the on-campus interviews between employers and students.

Jacque Shumpert — AA, *Jack Ullman, Bill Reed, Tom Gibson, Don Burkhalter*. Jacque comes to us from the law firm of Sutherland, Asbill and Brennan, where she was a legal secretary in their real estate department. She enjoys traveling, cooking, and gardening. (Photo not available.)

Cheryl Spann — Word Processing. Cheryl recently relocated to Atlanta from Durham, North Carolina, where she attended NC Central University and worked part-time. She has held a variety of WP positions through various temporary agencies. She enjoys music, reading and gymnastics.

Angie Tarrant — has been appointed Word Processing Editor/Coordinator. (No photo.)

Melissa Schwitters — has transferred to Strategy Services from Distribution. (No photo.)

New York

Terry Lugo — Word Processing. Terry has 6 years of experience with the Department of Health. Her hobbies include aerobics, rollerskating and vacations in the Caribbean. Terry also teaches Bible studies at her church.

Rhoda Marshall — AA, Strategy (*Craig Van Fossan, Bonnie Brauth, Susan McCarthy*,)/Report Librarian. Rhoda has an extensive AA background in the advertising industry, most recently at Compton, Young & Rubicam. She has a considerable knowledge of astrology, lives in Manhattan, and has a daughter who just started her first year at Ohio University.

Russell Montgomery — Office Specialist. Russell has worked for the American Institute of CPA's and JC Penney. He enjoys weight lifting, chess, basketball and old movies. Russell was listed in "Who's Who among American High School Students."



Lugo



Marshall

Agnes and I want to thank all the KSA family members who personally expressed their sympathy to us on the occasion of the recent loss of our beloved daughter Valerie.

Many thanks and kind regards to everyone.

*Jaime and Agnes Tusell
KSA — Spain*

Thought for Today . . .

We can do anything for one day. So, just for today, let us be unafraid of life, unafraid of death which is the shadow of life; unafraid to be happy, to enjoy the beautiful, to believe the best.

Just for today, let us live one day only, forgetting yesterday and tomorrow, and trying to solve the whole problem of life at once. Lincoln said that a man is just as happy as he makes up his mind to be.

If we cannot have what we like, maybe, we can like what we have.

So, just for today, let us be agreeable, responsive, cheerful, charitable; be our best, dress our best, walk softly, praise people for what they do, not criticize them for what they cannot do. And if we find fault, let us forgive it and forget.

— *Anonymous*