

the KSA Observer

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The Ultimate Bear Hunter

by John Beddows

I think I first heard it from *Dave Cole* or *Bob Frazier*—the tale about the marketing man and the manufacturing man, Pete and Fred, who decided to go on a bear hunting trip. The tale can take a long time in telling, so those readers who haven't heard it are recommended to track down the source. Those of you whose memories just require a nudge may recall that while Fred busied himself erecting the tent, oiling the rifles and getting ready, Pete headed out to reconnoiter the scene. About two hours later, as Fred was just about finished, a great shout of 'I've got us one' announced the return of Pete, hotly pursued by a large bear. Pete headed towards the tent, sidestepped at the last moment, the bear disappeared inside to a further shout—'It's all yours, Fred!'

In a wider international context, the Bear is often used to symbolize the USSR,

or in more topical terminology, Mother Russia. In the spring of '86 we had a call at our Altrincham office which led to conversations with a Mr. Shirshov at the USSR Trade Delegation in London, and after that to visits by the writer and *Alan Braithwaite* to five Soviet garment companies. Alan went to Tallinn, Riga, and after the Chernobyl radiation had died down, to Minsk. I went to Leningrad and Ryazan. I learned a long time ago that it is not the best use of one's time to go on visits with Alan. He is always so well briefed and organized, that at best you will only duplicate his inputs. As he is also the man whose baggage comes first off the airport carousel, who picks the fastest-moving check-in line, etc. etc., traveling with him can generate a feeling of tardiness, which is only compensated when you realize the 'first every time' characteristic also works for bars and cab

rides. But I digress.

Following our visits to the USSR, we prepared five proposals, to upgrade the main manufacturing activities of each company so they could produce garments to Western levels of design and quality at internationally competitive productivity levels. We enlisted the assistance of Taylor Woodrow, a UK civil engineering contractor with considerable experience of USSR projects to handle the equipment financing, and his firm eventually became the main contractor on the projects we sold. After several visits and meetings and more meetings in Moscow, we heard in January that we had been awarded three projects—guess where? Yes, in Tallinn, Riga and Minsk. And that is part of the reason why Alan Braithwaite can claim to be the ultimate bear-hunter.

Only part of the reason, because some would claim that getting the bear into the tent is the easy bit. We now have to plan and implement three major projects which together will require over 35 years of consulting time and involve over 30 KSA personnel. We have opened a second office in Altrincham known unofficially as KSA East, to house the planning activities and be a training center for waves of Soviet managers and technicians. PLATO® is being translated into

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Cartoon by Janice Ryer

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Stacked up in Secaucus,
page 2.

President's mid-year
report, *page 8.*

Finding a plan to "suit"
Sears, *page 10.*

An acceptable misuse of
power, *page 11.*

and six other articles

New Jersey and KSA—Perfect Together

by Steve Szilagyi

THE BEGINNING

On July 27, 1985, I was jostling for position along the New Jersey Turnpike on the way to my first project with KSA at Bidermann Industries. Being a new distribution consultant fresh from training, my mind was filled with thoughts of what lay in store for me in the business world. Aretha Franklin's "Freeway" blared on the radio as the turnpike bridged over the landfill just north of Newark. Looking to my right, I caught my first glimpse of the majestic skyline of New York. My mind raced with thoughts of opportunity, challenge, success, prestige; everything that is New York. Caught up with the excitement of being in this great city, I took a deep breath, and quickly was jolted back to reality by the smell of the landfill. My senses alerted, I looked back to the road just in time to avoid being hit by a truck moving into my lane. No, I wasn't in New York. I was in New Jersey.

KSA NORTH

With an extensive highway system, major air- and seaports, abundant labor, and the midtown Manhattan garment district a short drive away, New Jersey is ideal for a distribution center. Secaucus (pronounced "See-Caw-Cus"), New Jersey, located in the Meadowlands, has been transformed from pig farms and landfill into a major industrial park teeming with garment and consumer products distribution centers. And where there's a D.C., there's KSA.

In the past three years, KSA's Distribution Group has completed eight Base Plus® projects in Jersey (five in Secaucus) for clients such as Liz Claiborne, Bernard Chaus, R.H. Macy, John Wanamaker, Bidermann Industries, and Lion Ribbon. Many of these projects were going on simultaneously.

With all that work came a bunch of consultants. In fact, 82% of the current relocating Distribution consultants have worked a Base Plus® project in New Jersey. Jersey is to the Distribution consultant what "L.A." (lower Alabama) used to be to the Operations consultant. However, there is a significant difference between lower Alabama and New Jersey: Jersey is close to New York.

"DO YOU HAVE A COUCH?"

The most unique aspect of the recent Distribution work in Jersey has been the high concentration of consultants in one

area at the same time—and their living arrangements. Never in KSA history (so I am told) have so many consultants lived, worked, and recreated together for so long.

With the high cost and scarcity of apartments, not to mention realtor fees, it was a natural for all those consultants to live together. Besides, we got along well together. Apartments have been shared, passed on, and returned to. In the past two years, 10 apartments were rented by 14 consultants, with 28 different living arrangements. For example, *Randy* and *Melody Moore* had a nice apartment on a cove in Secaucus. When Randy's project was finished, they moved out and *Tim Adams* and *Paul Dixon* moved in (Tim and Paul were working at Chaus and had recently shared apartments with *Jeff Boudreau* and *Dave Rush*, respectively). Paul was later transferred to the Princeton office, and moved out. *Chuck Easley* came to work at Chaus, and moved in with Tim. When Tim was transferred to Chicago, Paul returned to Chaus, and moved in with Chuck. Later, *Bruce Kroeschell* was assigned to Chaus, and he stayed with, you guessed it, Paul and Chuck. That's one apartment, 5 consultants, and 5 different living arrangements (all in about a year). This type of musical apartments was not unusual. "Can I sleep on your couch?" has been an often asked question in New Jersey. I know—I've slept on two of them.

"WHAT'S ON FOR TONIGHT?"

The best thing about being a KSA consultant assigned to a project in Jersey is all the other consultants who are in the same boat. Whereas other projects in other places would have a consultant essentially "on his own," working in New Jersey with so many other consultants around created a group of friends with common interests and goals. Seldom was there a lonely weekend night spent wondering which old friend to call back in Detroit.

Manhattan was usually the target of our weekend pursuits. The objective was to have as much fun as humanly possible in two days. I think we succeeded. Since none of us were from the area, tourist attractions were prime ventures for the group in the early days of our stay. Later we would become familiar with the different neighborhoods and local restaurants and taverns which would provide

our meeting grounds.

The Tumble Inn on the Upper East Side was perhaps the group's favorite night spot. With "Bumper to Bumper" traffic inside the bar, you were sure to engage in some lively conversation with a variety of New York's finest. Other places where we enjoyed many a memorable moment include: Puglia's in Little Italy (cheap food, cheap wine, and George playing the theme from *The Love Boat* on the organ), The Red Lion in Greenwich Village (we personally financed their recent renovation due to our endless devotion to the sounds of "Bob and Dave" on the guitar and fiddle), and Murphy's on the Upper East Side (we still have not won a pool game).

Another attraction of Jersey is that it has the Princeton office. Set away from the congestion and industrial trappings of northern New Jersey, Princeton provides a relaxing country atmosphere to soothe the soul. The office is of the "laid-back" sort, with coats and ties the rule only if you're seeing a client. There are also softball games on summer Sundays for those who wish to swing a little. The rule there is to get on *Riepenhoff's* team if you like to win.

THE MORAL OF THE STORY

All in all, the experiences I've had working in this area have been very positive. The friends I made and the memories of our good times together will stay with me for the rest of my life. Toward the end of my orientation class in Atlanta, we were all pulled into the conference room to receive our assignments, mine of course, was Secaucus, New Jersey. When a senior member of the firm asked me where I was headed, he jokingly responded to my answer with "Boy, who'd you do wrong?". Well, whoever I wronged, did me right.

Satu Hari Dalam Kehidupan Shin Shi Yee (A Day in the Life of Ha Suit Yee*)

Ever get that feeling of *deja vu*? The location is different and the names have been changed to protect the guilty, but Shin Shi Yee has returned to the Far East—this time not just the Orient, but the “Pearl of the Orient,” Penang, Malaysia.

I was fortunate enough to have the enormous good luck to meet *the* Dr. HNS Lee, Managing Director of TAL, while on the first leg of my journey to the “Pearl.” It is important to meet such imposing

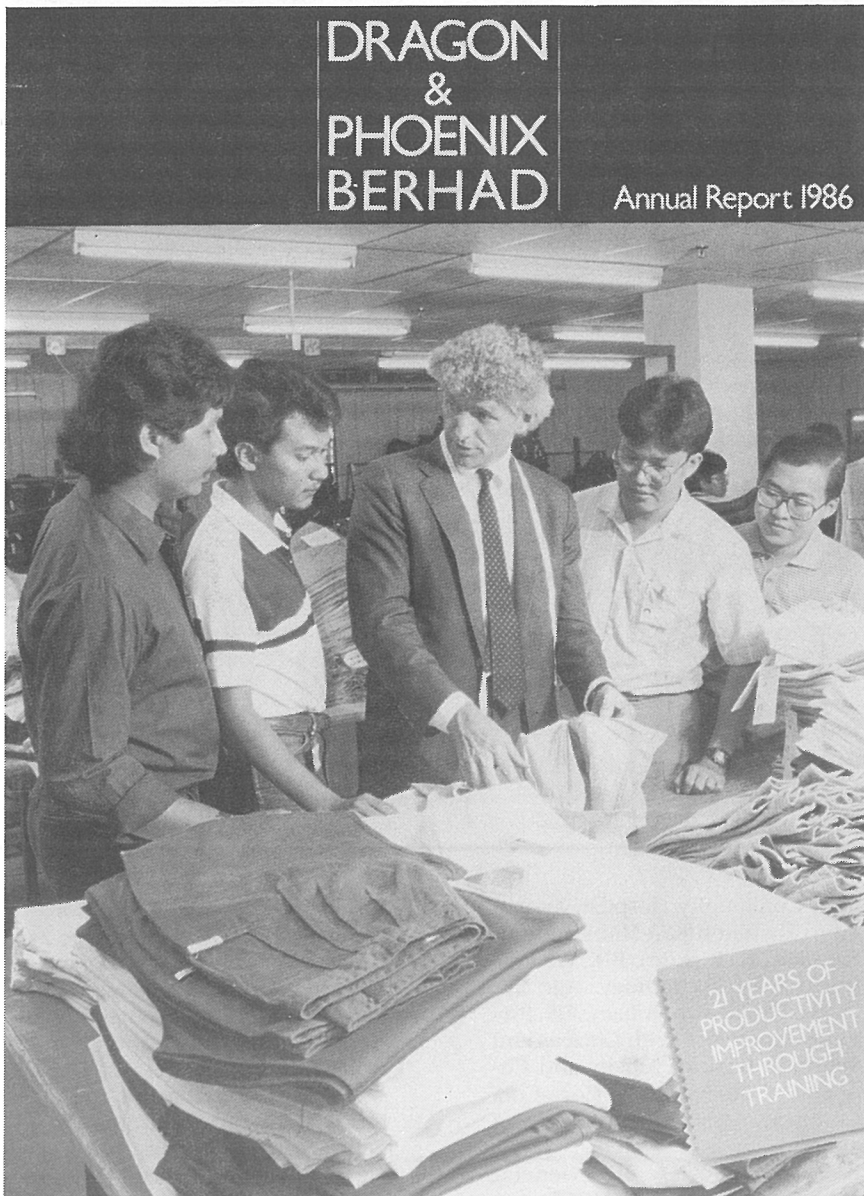
persons while suitably jet-lagged; this condition completely negates any feeling of awe that such individuals normally evoke. This condition also reduces one’s normal intellectual level so that its victim says such things as, “We’ll be working six days a week? Twelve hours a day? Well, it will be like being on vacation!” Unfortunately, I do not think Dr. Lee knew I had just finished a lengthy stay in Distribution.

Since *Chuck* and *Mitzi Gilreath* did

such a wonderful job keeping me awake (they have some very definite beliefs about curing jet-lag), I was greatly relieved to finally be able to get away from them and Mr. Lee on the plane bound for the “Pearl” for some very noncurative sleep. However, again fortune blessed me and I sat next to the Deputy Managing Director of Pen Apparel. (Yes, dear audience, I am working at Pen Apparel.) Mr. Y.H. Tan was considerate enough to give me a full history of Pen Apparel and Malaysia on the four-hour trip to Penang. Truly, I cannot complain—I still find myself spouting bits of trivia on Malaysia and wondering why I know such things. Anyway, it would have been most unbecoming to snore while sitting next to a well-respected client.

As fate would have it, it was a most wise choice to appear cognizant during my first contact with Mr. Tan, since a certain person, who shall remain nameless, (6’ tall, curly blond hair, blue eyes, runs a lot, wrote an article on Thailand in the last *Observer*) left me stranded at the airport. I guess Mr. Tan felt that it would not be appropriate to leave his new KSA consultant standing at the airport looking like a very lost puppy, so he graciously offered me a ride to my hotel. So after a 40-hour trip with very little sleep (thanks to Mr. Lee and Mr. Tan) I packed my eight large pieces of luggage and my tired body into Mr. Tan’s very nice BMW with his driver, his wife, his very active child and, of course, Mr. Tan. A can of well-packed sardines had considerably more room than we did.

So there I was in the “Pearl of the Orient,” Penang, Malaysia. Is it a pearl? Except for the open sewers, garbage dumps, sandflies, cholera, typhoid, pollution, insane motorbikers, mangey (literally) dogs and the spitting, sure. The beaches are wonderful, but if you go in the water you stand a fairly even chance of getting something you do not want. And if you swim far enough down the beach you may run into the raw sewage outlet for the hotel. But I surely am not giving Penang the credit it is due. The city does have a McDonald’s AND a Kentucky Fried Chicken. Nevertheless, Penang has become home. I have learned all the back streets and how to say, “No-la” and yes-la”—and that virtually qualifies me for citizenship. It sure beats Missouri (which, when I fly over I still close my eyes and pray we don’t crash) but it is not New Orleans. But then, what is?
— **Cheryl Hawkins*

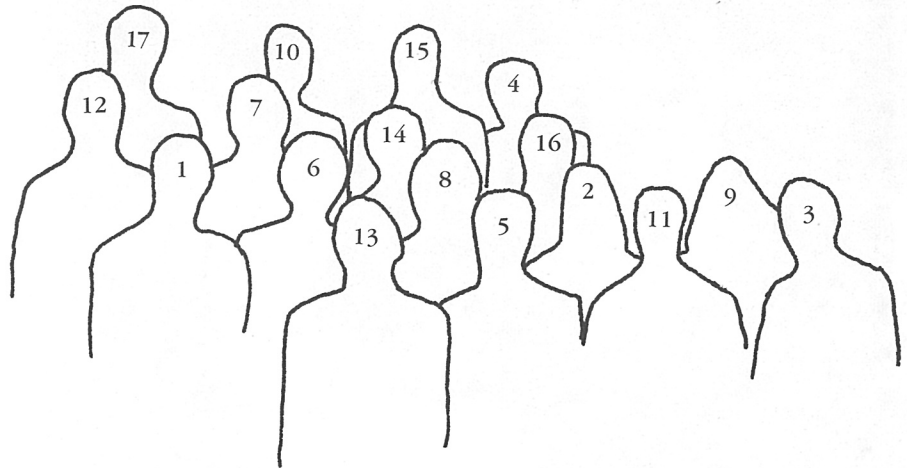


Doug Rogers and *Chuck Gilreath* have been working with Dragon and Phoenix, an apparel manufacturer in the Far East, for some time. Initially, Chuck assisted them in Capacity Recovery, a concept tailored for Far East conditions. Doug was brought in to install AAMT in their Singapore factory and is now helping them expand it to other locations. Recently, Doug showed up on the cover of their annual report!

July 1987 Orientation Class



1. Bernal, F. (Fernando). MIE, Polytecnic University of Valencia. Age 25. Single. Hometown: Vall D' Alba (Castellon). Assigned to Operations in Spain.
2. Montgomery, A. J. (Joy). BS (Hons.) Engineering, Science and Management, St. Aidans College and Durham University. Age 26. Single. Hometown: Midhurst, West Sussex, England. Previous experience as production manager with The Ryvita Co., Ltd. Assigned to Operations in the U.K.
3. Brye, P. E. (Paul). BA, University of Minnesota; MA, University of Iowa. Age 44. Children: Eric, Mark and Laura. Hometown: Minneapolis, MN. Previous experience as Assistant Administrator with Rutland Regional Medical Center, health care planning for Region Nine Development Commission, and health care consultant for Hospital Building and Equipment Company. Assigned to Hamilton/KSA-Fairfax.
4. Stroebel, J. K. (Jim). BA, University of Minnesota; MHA, University of Michigan. Age 46. Married: Susan. Children: Elizabeth, Christopher and Jonathan. Hometown: Rochester, MN. Previous experience as Vice President - Support Services with Bronson Methodist Hospital; Senior Vice-President - Operations, of Bellin Memorial Hospital; and Chief Executive Officer of Margaret



5. Ragsdale, K. P. (Kim). BIE, Georgia Institute of Technology. Age 23. Single. Hometown: Albany, GA. Previous experience with Citizens and Southern Bank of Albany and Co-operative Student, The Coca-Cola Company. Assigned to Information Systems.
6. Klein, D. (Doris). BIE, General Motors Institute; MBA, UCLA. Age 26. Single. Hometown: Rochester, MI. Previous experience in manufacturing engineering with General Motors. Assigned to Hamilton/KSA-Atlanta.
7. Lawlor, B. J. (Brendan). BE (Hons.), University College Dublin. Age 24. Single. Hometown: New Ross, Co. Wexford, Ireland. Previous experience as mechanical engineer of Arusseley Enterprises and production manager at Hestair Duple. Assigned to Operations in the U.K.
8. Read, M. S. (Marian). BSISE, The Ohio State University. Age 22. Single. Hometown: Toledo OH. Previous experience as co-op student with IBM Manassas and IBM Charlotte. Assigned to Distribution.
9. Miles, J. D. (Jana). BSICS, Georgia Institute of Technology. Age 24. Single. Hometown: Baxley, GA. Pre-

- vious experience as co-op student with Armco/National Supply Co., The Travelers Insurance, and IBM. Assigned to Information Systems.
10. Knight, B. M. (Brady). BSICS, Georgia Institute of Technology. Age 23. Single. Hometown: Dalton, GA. Previous experience as co-op student with IBM. Assigned to Information Systems.
 11. Kowalczyk, P. H. (Phil). BS and MBA, Indiana University. Age 27. Married: Sandra. Hometown: Munster, IN. Previous experience as buyer with Shillito Rikes Department Store. Assigned to Strategy-Atlanta.
 12. McDonald, D. G. (David). MM, Northwestern University, BS, Cornell University. Age 27. Married: Nicki. Hometown: Baltimore, MD. Previous experience in sales with Burlington Industries and marketing with Pepsico. Assigned to Strategy-New York.
 13. Chesnutt, C. C. (Carol). BIE, Georgia Institute of Technology. Age 23. Single. Hometown: Atlanta, GA. Previous experience as co-op student with Southern Bell Tel. & Tel. Co. and General Motors Corporation, Oldsmobile Division. Assigned to Operations.
 14. Kaufman, R. B. (Bob). BS and MHA, University of Minnesota. Age 29. Married: Debra. Hometown: St. Paul, MN. Previous experience includes administrative resident-special projects with Fairview Southdale, followed by two-year fellowship in Fairview's corporate office. Assigned to Hamilton/KSA-Minneapolis.
 15. Frantz, M. R. (Mark). BA, Colgate University, Age 36. Married: Jane. Children: Matthew and Drew. Hometown: Chatham, NJ. Previous experience as editor, McGraw-Hill, and consulting with Tecton and Princeton Management Consultants. Assigned to Communications-Princeton.
 16. Shelburne II, J. R. (Jack). BA, Hope College; MM, Kellogg School, Northwestern University. Age 28. Single. Hometown: Grand Haven, MI. Previous experience includes development of training program at Grand Valley National Bank, sales representative for Baker Furniture & Textiles and financial planning for Chrysler Corporation. Assigned to Strategy-New York.

17. Raines, J. P. (Paul). BIE, Georgia Institute of Technology. Age 23. Single. Hometown: Fayetteville, GA. Previous experience as associate industrial engineer with Frito-Lay, Inc., Assigned to Operations.
- Not pictured: Telk, K. S. (Scott). BS, United States Military Academy. Age 26. Married: Cheryl. Children: Amanda and Alexandra. Hometown: Clallam Bay, WA. Previous experience includes four years in the U.S. Army. Assigned to Distribution.

Bear Hunter *from p. 1*

Russian, and, I suspect, Estonian and Latvian. Weird and wonderful software is being developed that will enable us to switch between micro-systems in these exotic languages and English without needing to translate.

With his 18 years of consulting experience in KSA, including work in Operations, Control and Strategy, Alan was ideally placed to direct this mammoth undertaking. He has already led three five-man teams on the initial two-week visit to each client, steering his immaculate way through the moonshine vodka, the sauna sessions, the 'honeypot' interpreters, and the many other distractions (or should that be *attractions*) provided by our Soviet clients.

To keep busy when not in the USSR, Alan is continuing to manage other important accounts, including Coloroll, a rapidly growing company in home consumer products, and *Stuart Hollander*, our most demanding client. Wearing his marketing hat, Alan is providing the stimulus for others to carry out our PR, seminars and other market development plans in the UK, and he is maintaining a personal responsibility for prospecting the French market in our initiative to take KSA back into the only major country in Western Europe where we have no

real presence. To all these tasks, Alan brings the highest level of professionalism, keeping himself and his clients well informed on new service and market developments, and providing leadership and guidance for more junior colleagues.

His ample spare time pursuits are not that well documented. He certainly keeps fit, with recent performances on the soccer field in Austria and along 5 Km of the beach at Amelia as testimony. Leisure interests include theater visits, (with daughter, *Catherine*, who will graduate in English and Drama studies this year) and dining out (where Alan and wife *Carol* have a modest reputation for knowing the way to many of the top-rated entries in the Good Food Guide.) He maintains a very low profile at the golf course, and has 'won' the wooden spoon in our last two KSA UK competitions. But, of course, wooden spoons are great for feeding honey to the bears. . . !

With due respect to Pete and Fred, Alan must be the ultimate bear-hunter.



Braithwaite

Attention Golfers

Golfers and duffers beware at the next Consultants' Conference! The *Observer* editor, after extensive detective work, secreted this card away from the clutches of a colleague. To find out *which* colleague, turn to page 15.

Hole 1	2	3	4	5	6	7	8	9	Subtotal	
Par 4	3	4	4	3	4	5	3	5	35	
Score	4	3	3	5	2	3	4	3	5	32
Hole 10	11	12	13	14	15	16	17	18	Subtotal	
Par 4	4	4	5	4	4	4	3	4	36	
Score	4	4	5	5	3	4	6	3	4	38

Missed birdies of 10 feet or less on 9, 10 and 13; lipped out 25 footer on 18.

Anatomy of a Teaching Hospital Sales Effort

by Tom Heckler

BACKGROUND

On a dreary autumn day last November, the Hamilton/KSA strategy team got the news they dreaded (but also expected): "You guys did a great job on the proposal and presentation, and it was a tough choice for our selection committee, but we've decided to go with another firm." That was it—the end of a major sales opportunity at Northwestern Memorial Hospital, a large teaching hospital in Chicago, Illinois. While a close second is far better than dead last, the revenue implications are no different. But if that time was a low point in KSA's recent efforts to break into the teaching hospital market, it also served as an important first step in building a credible presence in this important submarket. And that building effort began immediately.

The loss of the Northwestern project forced us to reassess our sales effort for this type of project. The loss was especially disheartening because our total effort—pre-proposal visit, written proposal, pre-presentation efforts, and presentation team—was much improved from recent previous efforts (and almost certainly superior to any Hamilton Associates or HSD strategy proposal which occurred before the merger). Nevertheless, a loss is a loss—and we were eager to learn from the Northwestern experience and "knock 'em dead" on the next teaching hospital proposal.

We didn't have long to wait: within days of receiving the final word on

Northwestern, we found out that we had an opportunity at Ohio State University Medical Center—a large, prestigious institution with over 800 beds, 3,000 employees and 300 full-time faculty.

WHY TEACHING HOSPITALS?

At this point, one might well wonder: "Why devote so much effort to just one client submarket (university teaching hospitals)?" This question certainly seems worth asking when you consider that there are less than 150 university teaching hospitals in the U.S. (only a small fraction of the more than 6,000 hospitals nationwide).

Despite their relative lack of numbers, however, university teaching hospitals are big business—and an important submarket. The biggest teaching hospitals—those on a par with OSU—may have annual revenues of \$150-\$250 million or more, which is quite an impressive sales total for a single-site service business. In fact, the OSU Medical Center—which includes University Hospital and the College of Medicine—has a combined annual budget of more than \$250 million. Obviously, an enterprise of this magnitude has need for—and can support—substantial outside consulting activity.

THE PROPOSAL PROCESS

The competition for this project was intense—the short list included Hayes-Hill, A.T. Kearney, and The Boston Consulting Group, among others. Because of

this heavy competition, and because of the magnitude of the expected project fee, we sent a team of four consultants on-site for a day to scope out the setting and identify the key sales points which needed to be addressed.

Preparing the actual proposal for OSU required only a modest number of changes in our Northwestern proposal, but they were important ones:

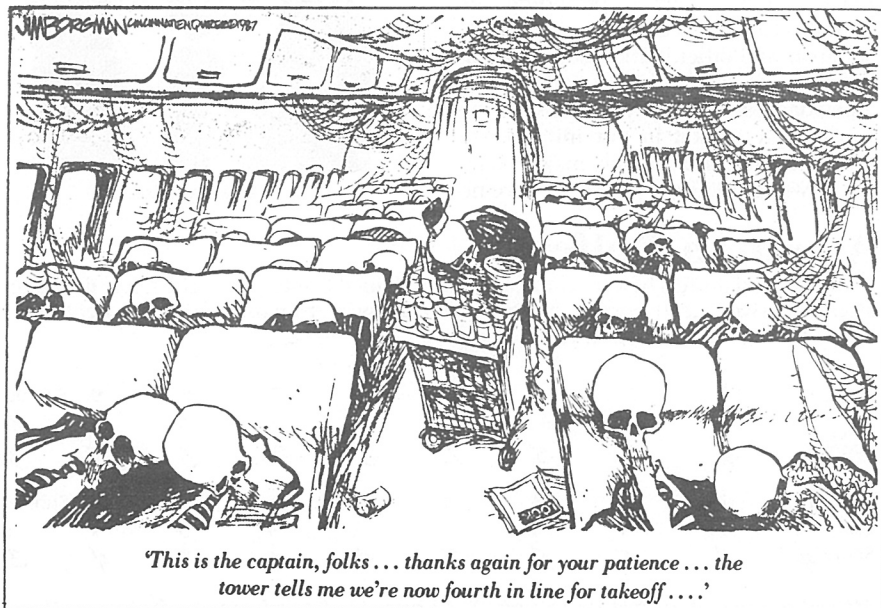
- The bulk of the written proposal for Northwestern was basically sound, reflecting the extensive involvement of *Dick Sawyer* in drafting and redrafting the Background and Scope of Study sections.
- The credentials and references sections, which so often seem to be cobbled together at the last minute, were sharpened up—on this occasion with plenty of lead time.
- The overhead transparency presentation materials—vastly improved with the addition of the Freelance graphics package—were streamlined further by *Mark Wietecha*.
- The presentation itself—including who should present, time allocation, and anticipated questions from the selection group—were re-thought from the bottom up, under the direction of *Bruce Miller*.

This time and effort (in both on-site visits and proposal refinement) was well-spent; after a lengthy selection process, and despite some last-minute lobbying for a "favorite son" candidate, Hamilton/KSA was selected in December.

THE PROJECT TO DATE

Ultimately, OSU agreed to a fixed-fee engagement of some \$265,000—the largest single healthcare strategy project in the history of either Hamilton Associates or KSA. Since the start of the project, the client has also committed to additional market research work, to be conducted in conjunction with the study. Expected net fees from this work will likely exceed \$15,000, pushing the total for the entire package to over \$280,000—ample evidence that the teaching hospital market is worth pursuing.

At present, we are about two-thirds of the way through the project, and it is every bit as stimulating and challenging as we thought it would be. If we are successful at OSU, we will have a valuable leg up on Hamilton/KSA's goal of becoming a major player in the strategy consulting market for teaching hospitals.



KSA Joins Forces Against Birth Defects

WalkAmerica is part of an annual national fundraising event in which thousands of people walk a specified route through their cities to raise money to fight birth defects.

Each year, the Atlanta Office supports this fundraising project. This year, our team captains were *Kelly Felker*, *Joe Neal* and *Angie Tarrant*.

On Saturday, April 25th, KSAers, their families and friends (and *Mingo*, *Dave* and *Robyn's* dog) set out for a 10-mile walk through the city. The weather was perfect and team spirit filled the air as we all joined together to show how much we care for those less fortunate people stricken with birth defects.

This was a record year for KSA's TeamWalk effort. The March of Dimes awarded KSA with a pewter plate (on display in the lobby of the Atlanta Office) for having the second highest number of participants in our category. We had 45 walkers who collected a record number of contributions—\$1,624.07. Outstanding fund raisers were *Ami Corless* (\$120.00), *Angie Tarrant* (\$120.00), *Mindy Fisbeck* (\$115.00), and *Brooks Robey* (\$100.00). Also, many thanks to all



the supporters of the bake sale without whom we could not have broken this record. A special thanks to *Denise Trostle*

for all her time and efforts.

—*Angie Tarrant*

From Office Manager to Software Analyst (from Bark to Byte)

by *Cathy Deadwyler*

When *Joe Irastorza* asked me to write an article on my transition from office manager to software analyst, I wondered why anyone would want to hear what it's like to stare at little green screens all day. But there is much more to it than that. When I made the transition two and a half years ago, I must admit I was not 100 percent sure I was going to like what I found. Did I really want to look at little green screens all day? For a while sure, but exclusively?—No. Luckily, that's not quite all a software analyst at KSA does.

Although my first project did involve programming almost entirely, my second assignment has involved a great deal of client contact and training as well as some travel—all things I have wanted to do and have enjoyed immensely.

My first project was to assist *Frank McMillan* and *Mary White* in developing the Control Plus Payroll system. For my first assignment, Frank asked me to get familiar with the PC by writing a little program which would write an index sequential file. Looking back now, I know how simple it was, but at the time I was in the dark for days. I had taken a one-week Cobol programming class. I

understood everything in the course and wrote my two little programs required to complete the class. It was a piece of cake. But no one said anything about any index sequential things in class and I did not have the faintest idea how to go about writing one. Besides, all we did was *read* the files and write reports in class. No one said you had to *write* the file—that wasn't in the course. But after that first hurdle, things settled down. The project turned out to be the ideal first-time situation:

- There were no real client deadlines. Sure we had a timetable, but timetables are much more flexible than a tight deadline.
- We were on PC's (i.e., anything I messed up was mine and not somebody else's. I have since learned about messing up somebody else's on a mainframe).
- This setup had been done before in Basic, so everything was neat and orderly. It fit together well—no muss, no fuss. For the first time in almost six years I left the office at 5:00 on a regular basis. (That's P.M. not A.M.)

When that project was complete, I moved on to greener pastures, (a billing

project) leaving only *Barbara Byrnes* (and soon *Denise Trostle*) to curse the code I wrote as a first-year programmer. Enter Campus. (Translation—clients and deadlines.) The Campus project has been a paradox of good things and frustrations. (When it's good, it's very very good and when it's bad, it's awful.)

For those of you not familiar with Campus, a division of Interco, it is a 250 million dollar company with 15 domestic plants, a 19-acre warehouse in Chester, S.C., and headquarters in Paramus, N.J. KSA is developing and installing an inventory tracking system for Campus. The plant system has been installed and the receiving system is in place with only minor cleanup remaining. The work order system and the shipping system are left. I have worked primarily with the receiving system and, in the process, have learned the basic truths about working with clients:

Basic Truth #1: What the corporate office thinks the distribution center does and what they actually do are two different things. A subtruth of this is that what the corporate office tells you to

Cont'd on p. 10

From the President . . .

We entered 1987 facing a year of challenge. Due to softness in some important sectors of our practice in 1986 our forward position on January 1 was below requirements and we were in the middle of some restructuring decisions. We were working very hard to convert new initiatives of 1985 and 1986 into growing, viable parts of our practice.

It now appears that the Firm is meeting the challenge of the year *very successfully*.

Our business is strong virtually across the board . . . the new initiatives from prior years are increasingly successful and other new initiatives will be coming

“Our business is strong virtually across the board . . . the new initiatives from prior years are increasingly successful and other new initiatives will be coming to fruition the balance of the year.”

to fruition the balance of the year. Most importantly, the quality of work is good, major new clients are being constantly added, and our colleagues who have changed careers have all assumed significant and challenging positions in industry.

Consumer Products Division (CPD)

We have a high level of sustained marketing activity. Recent examples of key presentations include a worldwide industry group in Japan, Information Systems joint seminars with General Electric in Chicago and New York, the Financial Breakfast, addresses to the VICS meeting, the ATMI Convention and a number of others. Multi-client studies such as the CWP Quick Response Cultural Change project, Hong Kong Productivity Study and the Guatemala Industry Study have increased market opportunities. All of this has contributed to national and trade press quotes, a strong inquiry flow, and, combined with KSA-initiated contacts and repeat business, a high level of project opportunities has resulted.

Our overall conversion rate of opportunities is good, reflecting high quality of work and client confidence in KSA. Implementation projects are two-thirds of our total volume of services, which verifies our commitment to client results.

The efforts and results year-to-date are balanced by market and service. The 80% of our work in the domestic market includes over 20% retail, 33% apparel, 16% other PCP/HCP, and 10% textiles/

suppliers. The 20% of our CPD work which is outside of the U.S. is well balanced between Latin America, the Caribbean, Far East, and Canada. We are currently working with the top clients in each market, domestically and internationally. In retail, we are currently serving over 50% of the top 30 retailers in the U.S. Almost without exception, we serve the leading firms in apparel, textile, and related industries. The examples are too numerous to mention, but Macy's, L. L. Bean, Liz Claiborne, Hartmarx, VF Corp, and Morgan Stanley are representative.

Of particular note is the success we

have had in launching Quick Response, a new service uniquely powerful to KSA which involves all of our markets and services. In the first half of 1987 we have about \$1,000,000 in project work related to this effort.

By service group, key additional points include:

Distribution

New project authorizations are 148% of plan year-to-date.

“Of particular note is the success we have had in launching Quick Response, a new service uniquely powerful to KSA which involves all of our markets and services. In the first half of 1987 we have about \$1,000,000 in project work related to this effort.”

We are experiencing high demand in each of our service areas. Example projects include Base Plus at Time, Inc., L.L. Bean and Macy's . . . design for Neiman-Marcus, Liz Claiborne, and Viking Penguin . . . strategy for Egghead Software, Venture Stores, and Waldenbooks. Distribution systems services that received a new focus this year are doing very well.

The key priority now is to deliver the committed work and find the time to respond to inquiries so that schedules will be equally full in late 1987 and early 1988.

Strategy

New projects for the year got off to a slow start; however, the last quarter has been well ahead of plan and we expect

to be on target by the end of the year. Our reputation for effecting change in client organizations through strategy projects is increasing. Examples of visible results include, J.P. Stevens, Lowenstein, and the current work for Morgan Stanley. In service development we have good progress in mergers and acquisitions, where we are providing consulting services to clients interested in acquiring or divesting as part of their strategy; administrative productivity; merchandising effectiveness; and organizational development. There are major projects underway in most of our industry segments such as Leslie Fay, VF Corp., J.P. Stevens, and Dillard's.

Operations

New project authorizations are 110% of forecast for the first half. Backlogs are exceptionally strong at over six months of work.

The practice is evolving to meet the demands of our traditional and new industries with major service investments in Sourcing, Quick Response, and Just In Time/Modular Manufacturing Technology.

There are continued advances in the manufacturing control systems area. In retailing, the Q/Serv program for retail sales scheduling is in its first year of market introduction. The overall priorities in operations are geared to the needs

of the markets we serve, which include: quality and value, maintenance of world-class technical skills, expansion of our base with new innovative services, and training of staff.

Representative projects include Warnaco, U.S. Shoe, Gitano, Cato, Laura Ashley, Olga and Coach Leatherware in the U.S., Daewoo and TAL in the Far East, and JIDC and Guatemala in the Caribbean. We are also increasingly seeing worldwide projects such as work for Sinotex in the Caribbean, Mauritius, and the Far East.

Information Systems

Project authorizations were soft in the first quarter, but have been very strong in the second quarter. We have excellent prospects for continued strength, with

. . . Mid-Year Review

a particularly good new project flow in retailing with such clients as Frederick Atkins, Dillard's, Sears and Venture Stores. Project work is strong in our traditional apparel and textile markets with clients such as Chaus, Campus, Esprit, Springs and Graniteville.

Service development is underway in QR systems, a forecasting package, and we are testing CASE technology. We are moving to build a larger software development practice to achieve implemented results for clients in combination with our diagnostic and design skills.

All in all, there has been much accomplished this year in the Consumer Products Division, with total project authorizations at 109% of forecast. We are at 95% of billing budget year-to-date with the shortfall occurring in the first quarter. The second quarter was ahead of plan and we expect the third quarter to be as well.

Health Services Division

We began the year on a strong note in Health Services and significant progress has been made toward solidifying our position as the premier health care consulting firm. New project authorizations are at 100% of plan for the first half with billings at 110% of budget. There have been several major milestones during the year in the development of the practice:

- Engagements with four additional major academic medical centers. . . Ohio State University, Dartmouth Hitchcock Medical Center, Cleveland Clinic Hospital and Henry Ford Hospital, which brings to 24 the number served in recent years.
- Completion of the computer based nurse management course on interactive software.
- Initial development of an automated system to support facilities planning activities.
- The mention of Hamilton/KSA in 13 articles in *Hospitals* magazine year-to-date and continued presentations at major industry forums.
- Significant improvement in overall office cost control, and increased use of an improved project planning and control system.

By service groups, key points include:

Facilities

Billings are at 108% of budget. New project activity is very good and it is expected that overall authorizations will

come up to forecast in the coming months. Hamilton/KSA is *the* leader in facility planning in the health care market with key clients such as Dartmouth Hitchcock, St. Mary's in Rochester, and Methodist in Dallas.

Strategy

New project authorizations are 156% of forecast and year-to-date billings are 140% of budget. This is superb performance and indicates very full schedules and a tremendous commitment by the group. Example client projects include Ohio State University, Healthwest, Worcester Memorial, and Hazleton General.

Operations

This segment of the practice is under development. We are well behind our new project forecast and billing budget

29, and therefore, we're still actively seeking selected experience and skills. Our recruiting success to date is based on a lot of hard work by each of the service groups and the recruiting department.

The Communications Department has done a tremendous job in helping us prepare speeches, presentations, major market events and articles. It has possibly been our most prolific six months in history in terms of market communications activities and we think this is reflected in the high inquiry flow and name recognition we're achieving in the markets which we feel are important.

All of this activity has presented many challenges to the administrative staff in each of our offices and our technical support departments. As usual, those challenges have been well met, so that we are able to function smoothly as a professional organization.

"The consulting market is totally elastic based on the quality of work. If quality is outstanding the size of the market and potential available for the firms that do outstanding work is very large."

for the year. However, the movement is in the correct direction and we have a number of high quality project opportunities. The Head Nurse Course service development is proceeding well according to subject matter experts at Vanderbilt Medical Center and UCLA. We will begin to market it in July-August. We are beginning operations improvement projects in the outpatient clinic environment at Henry Ford Hospital and the Cleveland Clinic in Columbus, Ohio.

In total, in Hamilton/KSA we are well ahead of plan, qualitatively and quantitatively.

Europe

Europe is nicely ahead of plan with billings at 102% of budget. Business is particularly strong in the United Kingdom and through the first half, the German region (including continental Europe) is performing quite well. Spain is behind plan, but the above-budget performance in the other areas provides us with ahead-of-plan performance in total.

—●—
Last fall, we established the KSA/USA recruiting goal of 17 new consultants for 1987 and as of early July, 16 new consultants have joined the Firm. In the ensuing six months, we've raised our recruiting goal for the year to a total of

The significant expansion in our practice geographically and in services has presented considerable challenges to our accounting department, which they successfully met. Our financial controls remain solid, which is critical to the success of a multi-disciplinary international firm.

All in all, I believe we can and should be pleased with developments in our consulting practice year-to-date. We have many opportunities, and with good quality work we will sustain a strong flow of business. The consulting market is totally elastic based on the quality of work. If quality is outstanding, the size of the market and potential available for the firms that do outstanding work is very large. Our greatest vehicle for the expansion of our practice, short and long term, is *good quality work*. Let's not forget that *fundamental of our profession*.

My thanks to the Service Group managers and Market managers for providing the input for this update. On behalf of the Firm, our thanks to each of you for the efforts and contributions you have made toward the good outlook of this report. With a continuation of the momentum now clearly evident in each sector of the practice, 1987 will be an excellent year.

—Dave Cole

KSA Helps Lanier Sew Up Sears Menswear

by Madison Riley

In June of 1986, the Merchandising Vice President in charge of men's wear at Sears Roebuck sent a memo to all his senior buyers asking each of them to develop a 5-year marketing plan for the respective departments. The plan was to have two main objectives:

- 1) Upgrading the merchandise via the Oakton Ltd. label (better style selection, better quality, higher price points).
 - 2) Narrowing/rationalizing the number of brands and labels that Sears offers, with Oakton Ltd. eventually becoming the store's flagship brand.
- Consequently, Sears men's suit buyer

"Although Lanier was KSA's client on this project, it was Sears that really needed our help."

asked three of his suppliers to develop a marketing plan for Sears' tailored clothing, showing how their merchandise would "fit in" to such an overall plan. Lanier Clothes, a division of Oxford Industries and long-time client of KSA, was one of these three suppliers.

For years, Sears had purchased sportcoats from Lanier, but had never really given them much suit business. Instead, one of Lanier's key competitors, Target, had been Sears' main suit supplier. The request for a marketing plan presented a major opportunity for Lanier. At the time, Sears carried men's clothing in 408 stores nationwide, and even a slice of that business would mean large sales dollars. However, Lanier had no "formal" director of marketing in its organization. It had succeeded for years with a good salesforce and probably the lowest costs in the industry through strong manufacturing and world-wide sourcing; Lanier never felt the need for someone to manage its marketing efforts. Without such a person on staff, it did not feel equipped to develop a marketing plan for Sears and so turned to KSA for help. In March, 1987, roughly ten months after the original Sears memo, KSA began crafting a plan for transforming Sears' men's suit department.

Although Lanier was KSA's client on this project, it was Sears that really needed our help. Sears "owned" the polyester suit business, which has declined rapidly in the '80s. The average retail price for a Sears suit in 1986 was \$85.00. A typical Sears suit depart-

ment was cluttered and drab, highlighted with mannequins wearing clothing that did not fit. In addition, the salespeople were often untrained and poorly compensated.

The first question KSA asked was "Does it make sense for Sears to upgrade?" Although the polyester suit business has declined, that customer still exists and represents large sales dollars for Sears. To answer this question, KSA turned to the KSA/NPD Purchase Panel, which was able to generate a great deal of information about not only overall men's suit trends but also characteristics of Sears' business itself.

The data showed many interesting trends. Since 1983, men's wear sales have grown in specialty stores, chain stores and off-price channels of distribution. Sales in department stores and discounters declined during that same period. This trend suggests consumer emphasis on either service or value. While the chain store business increased, Sears' business declined slightly. In addition, the data suggested that Sears'

"KSA felt it necessary to convince Sears of its need to change some of its own internal selling practices..."

business was less profitable than its competitors. So Sears was missing out on the growth in sales in its own channel of distribution and thus needed to react in some fashion. But was upgrading the right response? Again the data provided the answer by showing trends toward:

- 1) Increasing wool suit consumption; away from polyester.
- 2) Higher income customers shopping in chain stores.
- 3) Sears selling fewer suits to those age groups demographically projected to grow the most in the next ten years.
- 4) Sears selling to more professional people in recent years.

Consequently, KSA recommended that Sears actively pursue a program of upgrading while not completely abandoning its polyester business.

The next step was to determine exactly how to merchandise the Sears men's clothing department and where the Oakton Ltd. label would fit. In order to do so, KSA and Lanier executives shopped many Sears stores and competitor's stores throughout the U.S. Then, in several full-day working sessions, both

KSA and Lanier determined:

- the positioning of the Oakton Ltd. label,
- a vision of the future,
- and a detailed merchandising plan for Oakton.

Finally, KSA felt it necessary to convince Sears of its need to change some of its own internal selling practices in order to make this new merchandising plan work. KSA cited 3 steps:

- 1) Developing a message to communicate their new business approach.
- 2) Developing methods for pulling new customers into Sears' men's department.
- 3) Determining methods for pushing the sales force to aggressively sell these garments.

The proposed marketing plan was presented on April 9, 1987 and was very well received. Sears gave part of the Oakton Ltd. program to Lanier, which substantially increased Lanier's sportcoat business. In addition, KSA cemented its relationship with Lanier, while gaining exposure to Sears as a potential future client.

Bark to Byte

Cont'd from p. 7

design is never what the people who will use it want.

Basic Truth #2: The people who will use it will always let you know just exactly how much it wasn't like what they wanted.

Basic Truth #3: Even when they like it, they will always have "just one more thing" they want changed about it.

Basic Truth #4: Sleeping at the Holiday Inn in Rock Hill, S.C., is not glamorous. Neither is lugging 50 lbs. of luggage through the airport at 6:00 A.M. (at least it feels like 50 lbs. at 6:00 A.M.).

It is exciting to work with a group of people who are expecting good things to happen. There is a great amount of satisfaction in solving the problems that arise during an installation. (Such as the time we showed the users a program and to our surprise they all lit up and said "This is great—this is going to save us tons of time.")

All in all, I have enjoyed working with the client on a close basis, and the constant, sudden shifts in emphasis and design of the system have certainly helped keep me on my toes and off my seat. I have enjoyed my mix of machines and individuals and hope I will have many more opportunities to participate in client projects.

The Peachtree Road Race

While a hearty group of about 20 or so KSAers run to combat sloth and inertia at the annual July 4 Peachtree Road Race, the volunteer ranks have swelled to an impressive number.

Encouraged (read coerced) by *Ron Brockett*, president of the Atlanta Track Club, KSA's volunteers work year-round to coordinate logistics for the one-day extravaganza. The runners don't have to appear at the Start Line until 7:45am, but most volunteers must report to their posts at 6:30am to get ready for the first event of the morning, the wheelchair event at 7:30am. By the time all runners have passed and debris has been cleared from the race course, the volunteers have worked 6 hours and it's not even noon yet.

Of course, KSA volunteers manage all the prestige monitoring points along the course.

Once the race participants enter Piedmont Park, *Libby Morgan* and her crew

of dedicated volunteers (including *Susan Parker, Anne Robison, Neil Thall, Denise Trostle, Freddie Wood*) are there to make sure their last .6 mile trek to the Finish Line is a safe one. They are responsible for keeping the crowds of well-wishers, photographers, baby carriages, etc. out of the path of the runners, as well as assisting "runners in physical trouble."

After the runners cross the Finish Line, they fight their way to the T-Shirt Area, where they might be lucky enough to have *Karen Kinard* hand them their treasured T-shirt. They can then move toward the Fluid Area, where *Dianne Gunn* and her large crew of volunteers (including *Mark Pawelec*) dispense cups of "cool refreshing Coke."

The Hippomenes Cup, awarded to the runner who has best exhibited a desire to combat sloth and inertia, was awarded to *Pete Cleaveland*, who shaved his time from last year's 61 min. (check



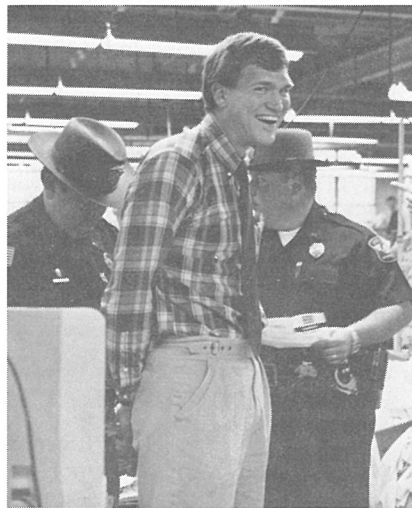
this) to this year's 53 minutes. Pete attributes this improvement to stopping smoking. While it is true that Pete doesn't smoke anymore, he has been sighted at the Kroger trying to crawl up someone's back in the check-out line to sniff the fumes.

—*Beth Souther and Libby Morgan*

Doing Anything for a Client—including Time

"Are you *Dale Graham*?" "Yes." "Sir, we have a warrant for your arrest for employee abuse!" . . . Those are the words I heard on a seemingly peaceful May morning while staffing an operations project at Yorke Shirtmakers in Belton, South Carolina. Immediately I recalled a KSA Principal telling me a few months earlier that my family was moving to a very friendly area. "Sir, please read this and sign it." I did. "Would you place your hands behind your back, please." I complied. Handcuffed and chained at the waist, I was led from the sewing floor to an awaiting police car and carted off to jail. I stood before a magistrate judge who explained that I needed to raise \$500 in donations to the American Cancer Society for bail. "I don't know anyone here!" I protested. "Where did you move from?" "Pennsylvania." That added \$50 for being a Yankee. "I used to live in Georgia!" "A Georgia hick, \$50 more!" At his suggestion I dropped some change in a cup that said "Please help." "\$50 for bribing a judge!" I was beginning to understand. Eventually my bail was set at \$750.

Fortunately, they allowed long distance phone calls, and did I use them! Thanks in part to *Dianne Gunn* and *Zeb Roberts* (everyone else was traveling or on vacation!) I raised \$725 in two and one half hours and they graciously released me to return to work. Obvious-



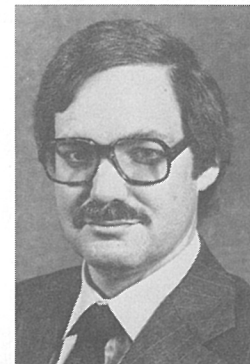
ly, the people of Belton enjoy this annual event as I shared the jail with a number of the area professionals. It is one of many opportunities to work together as a community for a charitable organization. Everyone is welcome to participate, including newcomers, and there is a real feeling of comradery among those who do. To that KSA Principal mentioned earlier I lift my handcuffs in salute. . .

—*Dale Graham*

McIlhenny Elected Director of IMC

Dudley McIlhenny was elected a Director of the Institute of Management Consultants, Inc. at the Institute's 17th Annual Membership Meeting on April 3, 1987.

The Institute of Management Consultants (IMC), headquartered in New York City, is the certifying body for the management consulting profession. Consultants who meet its membership requirements are accorded the right to the professional designation "Certified Management Consultant", or CMC. The Institute has 1,800 members in 24 chapters, nationwide.



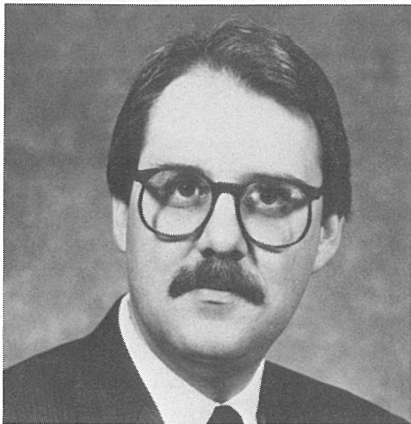
McIlhenny

Departures

Annette Williams • Mike Neal • Elinor Barnes • Steve Fogel • Neil Akemann • Michel Cardon • George Gelly • Chris Walsh

Departures/Retirement

Mike Baird Joins Jockey International



Baird

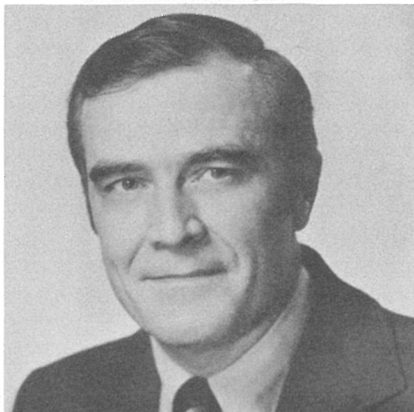
Don Johnson Joins Union Special As Director of Sales for the Caribbean

Don came to KSA in 1956 after earning his Bachelor's degree from Auburn University and a tour in the U.S. Army as a special agent in the Army Security Agency.

Legend has it that after getting out of the Army, Don stopped in McRae, Georgia to visit his old friend from college, Jack Johnson (also a former KSA vice president), got a new career, and found the future Mrs. Don Johnson (*Lanie Ryals*)—all on one stop.

Don has served KSA clients and the consulting profession well with his varied types of assignments in such faraway places as Egypt, Australia, and Jamaica, while operating from his base in Dallas, Texas. Don will always be well regarded by his KSA friends, not only for his versatility as a consultant, but for his congenial and gentlemanly manner.

A few quotes from an article by his



Johnson

Mike joined KSA after receiving his BGS degree in experimental psychology and computer science and an MSIE from Ohio University. Mike has had broad product exposure and has worked in many sectors within the Personal Consumer Products Industry. Among Mike's many successful engagements is our first major engineering project for Levi Strauss in 1979. Mike's assignments have taken him to such places as Northern Ireland and the Far East.

We wish for Mike a long and successful career with Jockey; best wishes to *Carol* and the children.

friend, Jack Johnson, tells the story well.

"He's absolutely honest and not given to hyperbole; the kind of friend you need when troubles are knee-deep. He's the kind of father to be envied, having the most mannerly children one could ever know. Together with Lanie, the Johnsons would be the kind of guardian parents you would want to raise your minor children... while at work Don demonstrates Kurt's principles of applying his knowledge with tact, humility, perseverance, and thoroughness."

With the above in mind, we can only congratulate Union Special and wish for Don and Lanie the very best.

John Caldwell Joins Riverside Mfg.

John Caldwell has joined Riverside Manufacturing Company as Senior Vice President of Corporate Development. Riverside Manufacturing is located in Moultrie, Georgia, with additional facilities in Atlanta and Ireland.

John joined KSA in 1959 after receiving his BSIE from Georgia Tech. He worked in our Operations practice and became known throughout the industry as a top-notch engineer.

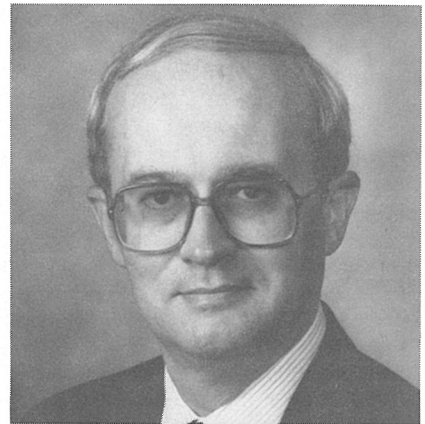
After mastering French in a language program in Paris, and subsequently Spanish, and being the flexible "easy traveler" that he is, John was called upon for assignments in such places as Algeria, Spain, The Philippines, Central America and the Caribbean. John and *JoAnn* had memorable and rewarding experiences in

these areas.

Somehow, throughout all this, he managed to earn his MBA through Emory University Executive MBA Program, while carrying the normal consultant's load.

John is a connoisseur of fine foods from around the world. Ask him about it sometime. He might also tell you about the record he holds for KSA's largest rate sale (2,000 operators on one operation in the Philippines). *JoAnn* is an excellent golfer and has won many awards.

His 27 years of experience, plus the MBA, give John the unique qualifications for the position that he now holds. We wish John and *JoAnn* many years of success at Riverside and hope that they have the opportunity to keep their golf games in shape.



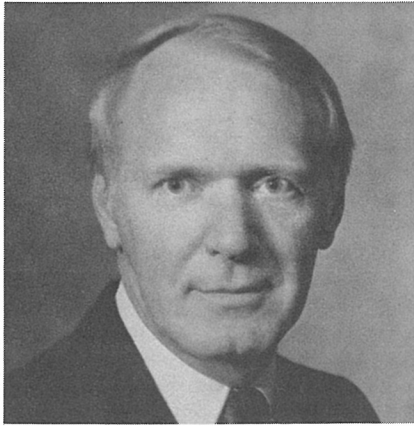
Caldwell

Ken Campbell Retires

Ken joined KSA in 1956 after completing his Bachelor of Industrial Management from Georgia Tech. After four years with KSA, Ken left the Firm to get an MBA from the Colgate Darden School of the University of Virginia. Upon receiving his degree, he was general manager of a concrete products firm. He also founded and operated his own recruiting firm for a period of time.

Fortunately for KSA, Ken missed the challenge and variety inherent in a consulting career and rejoined KSA in October of 1969 as a member of the Information Systems Group. He has worked in a variety of products and industries, including luggage, leather products, shoes, sporting goods, cutting and spreading machinery, apparel, textiles and health care.

Ken became known as a developer of new consultants. His concern for the



Campbell

development of young business people was also demonstrated in his work for the Darden School, where he served as a Trustee for the Sponsor's Program from 1966 to 1975.

Ken moved to Los Angeles in 1981 where he helped to expand KSA's presence on the West Coast, as well as provide Information Systems expertise in that area. Ken's broad range of industries, products and services has enabled him to fill that position well.

Throughout Ken's academic, business and professional experience, he has been a leader and major contributor in the fields of business and education.

Space prohibits listing all the boards and committees on which he has served. Suffice it to say that Ken has had a busy career.

We wish Ken and *Barbara* a long, healthy and happy retirement.

KSA Canada

KSA Canada is on its summer schedule: regular visitors are working south awaiting the first snowfall to come back north. All indications are pointing toward a busy fall with major operations projects to start at Warnaco and John Forsyth.

John Gleizer, after a winter in Montreal earned a summer vacation in Costa Rica—just in time for the rainy season! He will, of course, be back this fall for another Canadian winter in Ottawa.

Normand Gagnier, who joined KSA two years ago so he could travel all over the world—has been so busy on three projects in the Eastern Townships that he has not been able to leave his native Quebec in over a year.

Denys Williamson has begun studying marine charts in preparation for his three week sailing adventure around the Thousand Islands. Which ones will he visit? Your guess is as good as mine.

Keith Alleson recently celebrated his

Hamilton/KSA: Teaching in the University of Minnesota Division of Health Services Administration

by Bruce Miller

Graduate management education programs were founded to train hospital administrators during the 1940s, in recognition of the increased complexity of managing a hospital. James A. Hamilton, director of the New Haven Hospital, accepted the first position of Professor and Director for the Program in Hospital and Health Care Administration for the School of Public Health of the University of Minnesota (now called "Division of Health Services Administration") in 1946. Mr. Hamilton held the position until his retirement in 1966.

Mr. Hamilton came to the University with the understanding that he could devote a portion of his time to the development of hospital consultation. It was his view that the consulting business would provide needed funds for faculty and generate valuable case material. Thus, the involvement of Hamilton Associates with the Program was established. Over the years, the teaching role of Hamilton Associates evolved as demands for dedicated full-time faculty increased and the consulting business became more competitive.

Today, Hamilton/KSA consulting staff is actively involved with the University of Minnesota's Division of Health Services Administration in several dimensions: teaching the master's and independent study programs; serving on task forces (e.g., curriculum review); and by active participation in the Alumni Association (1,500 members).

Teaching activity by Hamilton/KSA staff is in the following courses:

Independent Study Program

Course 2, Unit 3 Planning and Strategy Formulation

Bucky Knowles and *Susan Hann*

Course 2, Unit 6 Capital Finance

Tom Heckler

Course 1, Unit 5 Financial Management

Tom Heckler

Course 2, Unit 5 Facility Development

Chuck Heinemann and *David Ping*

Course 1, Unit 4 Problem Solving and Decision Making Adjunct Session

Susan Hann and *Mike Harristhal*

Master's Program in Health Services Administration

Public Health 5744 Beginning Problem Solving

Public Health 5745 Advanced Problem Solving

John Sweetland

Public Health 5746 Clerkship Course—Students solve a specific management problem.

Bruce Miller, *Susan Hann*, *Chuck Heinemann*, and *Mike Harristhal*

Public Health 5752 Strategic and Facilities Planning

Bruce Miller, *Susan Hann*, *Chuck Heinemann*, *Mike Harristhal*, *Al Balbourn*, *Dick Sawyer*, *Bob Larson*, and *Chuck Killian*

The Hamilton/KSA teaching responsibility within the University of Minnesota's Division of Health Services Administration is significant to both organizations. The students and faculty are appreciative of the time expended, and Hamilton/KSA staff enjoys the challenges and contacts with the students.

10th anniversary with KSA.

Bob Frazier, *Bonnie Brauth*, *Steve Watts*, *Craig & Lorna Whitson*, and *Denys & Nicole Williamson* helped celebrate the occasion.

The festivities started at the office where after a busy if not hectic day for everyone (especially for Keith who had just flown in from Philadelphia), a few glasses of bubbly & some hors d'oeuvres put everyone in the right mood. Keith was presented with a beautiful Swiss watch as a token of KSA's appreciation for his dedication and hard work. He was very impressed and deeply touched.

We then proceeded to a cozy and very good little French restaurant a few doors from the office. Dinner was very pleasant, but a bit rushed for two good reasons:

1. Craig & Lorna Whitson had to leave the party in the middle of the main course as it proved time to go home,

pack a bag and get to the hospital as quickly as possible. Lorna gave birth to a beautiful 7 lb 2 ounce baby girl at approximately 1 a.m. Congratulations Craig & Lorna!

2. Keith had a 10:30 p.m. flight to catch. He could not be convinced to stay in Montreal overnight, having a client meeting in Toronto early the next morning. He made his flight but missed his appointment as he woke up sick with the Chicken Pox! So much for Canada! Have a nice summer everyone!

—*Andrée Gelinas*

In Sympathy

It is with sadness that we note the passing of Bill Reed's oldest son, Edward, in late April.

Work for Louisville Bed. Spreads to Three Service Groups

I doubt that there could be a project more involving, more rewarding, or more fun than introducing Louisville Bedding Company to strategic planning. Louisville Bedding is a \$65 million home textile company—proud, friendly, and, until recently, unfocused. A very strong manufacturing organization with a shaky marketing structure, Louisville Bedding was aware that it had problems with product line and SKU proliferation, but lacked the structure and discipline to control them.

KSA's Strategy Group was called in following extensive Information Systems work by *Doug Moore*, who determined that some macro-level planning was really what the company needed to progress. Thus arose the perfect opportunity to apply a dynamic, effective strategic planning concept developed by strategy guru, *Freddie Wood*.

The project began with a two-day, intensive brainstorming session facilitated by the KSA team and participated in by the appropriate Louisville Bedding top executives. Their first assignment was to answer the question, "What business is Louisville Bedding in?" The definition is not easily derived; our group of eight wrestled with it for over two hours. An understanding of this basic definition was needed, however, to establish a tenet

for future decisions.

The next step consisted of defining the company's strategic business units (common customers and competitors, not necessarily common manufacturing). In Louisville Bedding's case, thirteen SBU's were identified, ranging from traditional quilted mattress pads to other related bedding and tabletop products: foam and wool pads, dust ruffles, placemats, chair pads, etc. They also had made an unusual and unprofitable foray into industrial products with their quilted van pads, which are used by moving companies to pad furniture.

Once the group realized that each of these SBU's should be managed as strategically separate businesses, they immediately decided to phase out a couple of "low volume outliers." Now down to eleven SBU's, our next task was to analyze for each the external environment (market characteristics, competitor's strengths and weaknesses, performance gaps). From this we formed a clearer picture of each SBU's positioning, and established the basis for selecting appropriate strategic options (grow, protect, harvest, or divest) for each unit.

The strengths and weaknesses of Louisville Bedding as a whole were also examined in our session. The most critical problems were identified as vi-

sion/leadership (a tough assimilation for the President), organization/marketing structure (or lack thereof), stodgy market image, and negative cash flow. Each of these issues was addressed within the eventual framework of proposed solutions.

At the end of the two-day stint, a drained but enlightened KSA team trudged home to begin the next step of the process: external market analysis. For this step, we conducted a series of interviews with Louisville Bedding's customers and non-customers, to determine the "key success factors" for the markets, Louisville Bedding's perceived positioning, and competitor status. At our next meeting we presented the results of this phase and further homed in on the evolving strategic management options.

Phase Three was the internal analysis, consisting of an in-depth look at Louisville Bedding's organizational capabilities. At this point, *Chuck Harris* of the Operations Group stepped in to provide his expert assessment of the manufacturing set-up. We combined with this a financial analysis by product category (return-on-equity, return-on-assets, return-on-sales, turnover levels, gross margins, etc.) and included a historical look at distribution channel and gross margin changes over time. This

KSA Goes to the Races

KSA Switzerland recently sponsored a trophy at the Second International Horserace in Zürich. The exciting 2000m flat race for young horses was won by a three year old mare "Stelie" (number 14), just one head-length in front of "Pizarro" (13), and "Norbello" (12). Star jockey

Brigitte Renk maintained good position into the last turn.

There was tremendous excitement among the 10,000 spectators, particularly among KSA consultants *Peter Amrein*, *Luigi Delazzari*, and *Henry Riedweg*. *Lieselotte Amrein*, Peter's wife,

was thrilled to win her first stake.

The splendid Sunday afternoon was an unforgettable experience and provided a new form of communication for KSA Central Europe: We gained the publicity we were seeking, we contacted potential clients, and cemented one job!

by Peter Amrein



Int. Pferderennen

Zürich-Dielsdorf

Sonntag, 24. Mai 1987

12.30 Uhr
Pferdesportzentrum

Jugendliche bis 16 Jahre
Gratis-Eintritt

Kinder-Paradies

Wett-Spass und Riesen-Spannung!
Ess- und Trinkfreuden
ab 10.00 Uhr.
Gratis-Parkplätze.
Für SBB- und PTT-Benützer
halbe Eintrittspreise auf Stehplätze.

Vorverkauf bei Jelmoli Zürich,
Tel. Bestelldienst 01 / 211 97 97

Preis der Kurt Salmon Associates, Zug, Management Consultants, Flachrennen, 2000 m

Preis der Pneu Mäder Service AG, Trabrennen, 1900 m

Preis der Neuen Zürcher Zeitung, Jagdrennen, ca. 3750 m

Preis der Intercity-Immobilien AG, Flachrennen, 2500 m

Preis der Zürcher Traberfreunde, Trabrennen, 2400 m

Preis der BP (Schweiz) AG, Hürdenrennen, 3130 m

Bankverein Gold Cup
Flachrennen, 1609 m

Modeschau Oscar Rom Haute Confection

Grosser Preis der Stadt Zürich
Jagdrennen, ca. 4300 m

Preis der Büro-Fürer AG, Flachrennen, 2320 m

Preis des Zürcher Traberclubs, Trabrennen, 1900 m

by Lanell Stanley

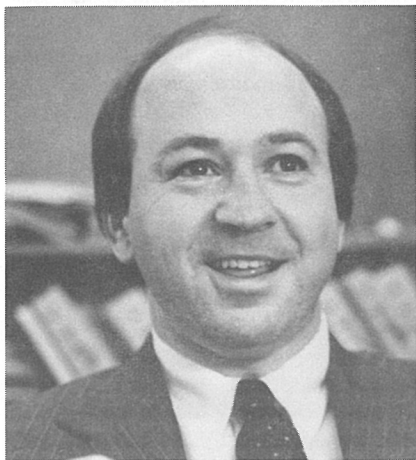
Aloha, Ya'll

last step really proved to be an eye-opener for the group. It demonstrated that their decision to pursue mass merchant rather than department store business was seriously eroding their gross margins, and underscored the need to carefully manage costs and expenses.

The final phase of the project was where all the pieces were pulled together—internal and external data was combined and the strategy implementation plan was developed. In Louisville Bedding's case, this included forecasts and goals for each SBU, a plan for development of a new product area, and the adoption of a new organizational structure for the marketing group. As a final follow-up, each member has been asked to prepare his plans for implementation and development in his area, and to respond to the group at our last meeting.

There are several points about this project that are exciting. The first, of course, is the opportunity to have a meaningful, positive influence on Louisville Bedding. The management group has truly progressed—businesses have been critically evaluated and difficult organizational decisions made. The project approach, which did not impose solutions but rather involved the executives dynamically from the beginning, was instrumental to the positive and responsive way in which they faced these decisions. Finally, the project demonstrated the effectiveness of combining several KSA practice areas, (in this case, strategy, operations, and information systems) to address a corporate strategy issue. KSA can be proud of the value that this project brought to Louisville Bedding.

It's Chuck Killian!
(Hamilton/KSA-Minneapolis)



Georgia may not seem like the most likely state in the Union to go to get "lei'ed," but that's exactly what happened to 150+ KSA'ers and family members on June 6, 1987.

Stone Mountain Park, 15 miles outside of Atlanta, was the scene of the Annual KSA Atlanta Office picnic—Hawaiian style. KSA took over a private beach section in the park and turned it into our version of a Hawaiian paradise. To set the mood, each attendee was greeted at the beach entrance with an Aloha, a lei, and (sometimes) a kiss.

Fried chicken and barbeque were the fare of the day (so it was Hawaii southern style, o.k.?), as KSAers fueled up for the busy afternoon ahead.

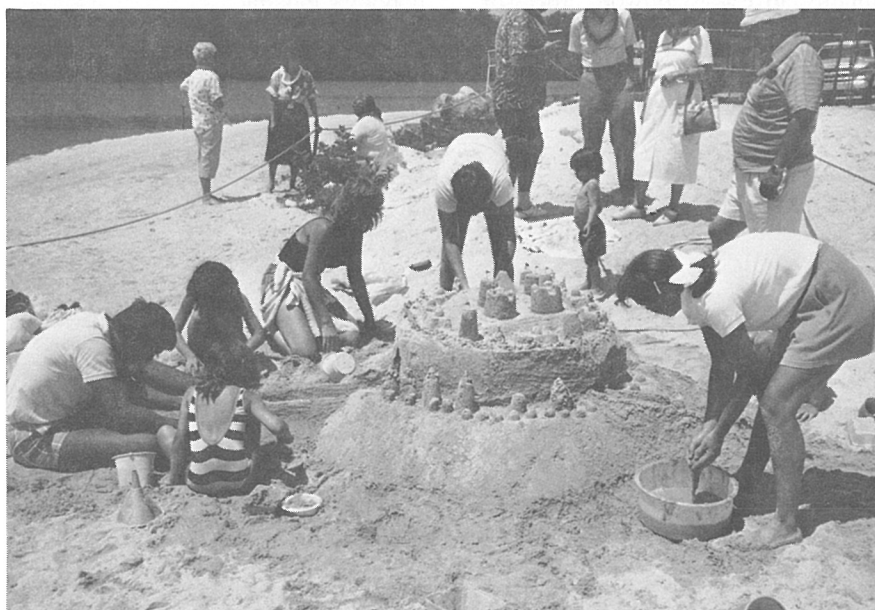
After lunch, the opportunity was taken to celebrate some career milestones. *Ike Myers* was presented with a watch to commemorate his 10 years of service with KSA, and *Ann Hodgens* was awarded a watch to mark her 25th anniversary.

As beach music (what else) played in the background, activities ranged from

a sandcastle building contest (where several entries clearly pointed up the engineering background of the participants); a hula hoop contest (won by soon-to-be-a-trainee *Jana Miles*); volleyball (come on guys, was it really an accident that the ball kept straying over to the sunbathing beauties behind the game?!?); limbo (which once and for all put to rest the age old question—how low can we go?); and a best costume competition (handily won by *Tami Opland* and her husband *Keith* who arrived wearing "a little something Tami whipped up one night").

Toward the end of the day, there was an exodus to the waterslides, where many KSAers had a "totally tubular" experience. It was a real splash!

But alas, all good things must come to an end and so our Hawaiian paradise was once again turned into a lakefront beach in Georgia, but not before dozens of KASers turned toward home suntanned (burned), content (exhausted), and already making plans for next year's event.
—Denise Trostle



Milestones

Congratulations to:

Lisandro Sagastume and *Marta Judith Chavez*, who were married April 4.

Terry and *Mike Swift* on the birth of a son, *Thomas Gannon*, April 9.

Kristi Carley and *Daniel Weiss*, who were married May 16.

Beth and *Bernie McGregor* on the birth of a daughter, *Maura May*, May 27.

Debbie Hitlin and *John Moore*, who were married June 13.

New Staff

Atlanta



Freeman



High



Tait

Jeff Freeman has joined the Information Systems Group in Atlanta as Senior Software Analyst. He will function as Development Team leader for the programming group. Jeff comes to us from American Software, and has twenty years of systems development experience. Jeff and his wife, Joan, are both avid pilots and motorcycle tourers.

Wanda High comes to us from the Martin Luther King, Jr. Center for Non-violent Social Change where she was an administrative assistant/word processor. She is a newcomer to the Atlanta area and enjoys reading, jazz, dancing, and swimming. She will be assisting Joyce Holland with Hamilton/KSA word processing.

The newest addition to the Atlanta Technical Services group is Steven D. Tait. Steve is a graduate of Case Western Reserve with a B.S. in Computer Engineering. A new Atlanta resident, Steve is from Youngstown, Ohio, and he enjoys running and bicycling.

Notable Quotes

"Integrity is doing the right thing when nobody's looking."

—W.J. Hindman

"If you look like your passport photo, you need a vacation."

—Unknown

New York

Cynthia Dugan. New York office receptionist. Cynthia has seven years of office experience and joined KSA in May of this year. She has recently remarried and has a ten year old daughter. Cynthia enjoys swimming, horseback riding and a good book.

Richard Hirsch. Joined KSA/NPD as a market analyst in April. Rich graduated from Brandies University last year with a B.A. in American Studies. His outside interests include hiking, traveling and playing the harmonica.



Dugan



Hirsch

West Germany

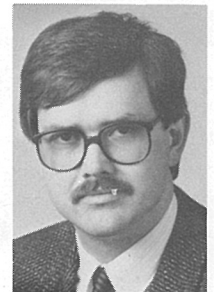
Reimers, Harry. Diplom Betriebswirt (MA)—Fachhochschule Hamburg. Previous experience with BDF Beiersdorf AG (Chemical Industry) in material management/logistics and Rhône Poulenc Pharma Division Germany as Director Material Management. Assigned to PD/Logistics Division.

Harry, wife Remy, and his daughter live in Hamburg, West Germany. His hobbies are literature and sports.

Deil, Jürgen. Programmer. Previously employed by a consulting firm that specializes in time management, cost calculation and introduction of computer systems. His hobbies include literature and mathematics.



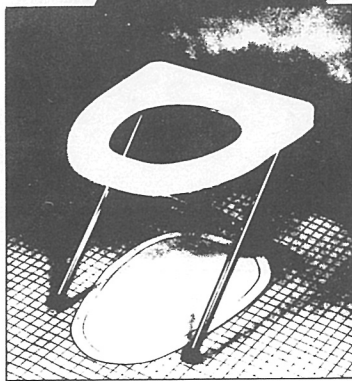
Reimers



Deil

And finally...

\$28.00



TOILET CHAIR KERUSI TANDAS 廁所椅

FREE DELIVERY
HANTARAN PERCUMA \$28/. 免費送貨

Appliance : "TOILET-MATE" is specially designed co-ordinate and adaptable to flat toilet which has no sitting bucket. It is also used as sitting chair in bath room.

Advantage : "TOILET-MATE" is light and easy to carry about. It is foldable and causing no hindrance to any one who prefers using flat toilet to evacuate.

Adequate : "TOILET-MATE" is suitable for old folks, fat people, pregnant women, people suffered from anaemia, high blood pressure, weak and feeble especially those who like reading newspaper in the toilet etc.

Kegunaan : "TOILET-MATE" adalah sejenis kerusi untuk tandas duduk. Ia sesuai juga diduduki apabila mandi.

Kebaikan : Ringan dibawa dan boleh dilipat apabila tidak menggunakannya. Ia tidak memerlukan tempat yang luas untuk menyimpan.

Sesuai untuk : Orang tua, orang gemuk, perempuan mengandung, pesakit, orang tidak berdaya berjalan dan juga orang yang suka membaca suratkhbar ditandas.

用途 : "TOILET-MATE" 是用來配合蹲廁作為臨時坐廁之專用椅。也可作為沖涼之坐椅。

特點 : 攜帶輕便, 不用時可摺起, 不佔地方, 不會防礙他人使用蹲廁。

使用對象 : 高齡人士, 肥人, 孕婦, 貧血, 高血壓, 行動不便及喜愛在廁所閱報者等。

According to a recent memo from our "Malaysian Office," the above item should be considered by KSA as an essential necessity for all overseas-based consultants.