

the KSA Observer

Volume 18, No. 3

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Winter, 1987

KSA Management Changes

At the most recent meeting of the board of directors, the following management changes were made. These changes became effective January 1, 1988.

- *Dave Cole* is Chief Executive Officer of KSA, Inc. and Chairman of the Board, as well as President/Chief Operating Officer. We are combining the Chairman and President task.

- *Stig Kry* will serve as chairman of the Executive and Financial Committee and externally will use the title of Chairman. Dave Cole externally will use the title of President and CEO.

- Our four major practice sectors each have a Managing Director or the equivalent.

- *Bob Frazier* is Managing Director of the Consumer Products Division, KSA North America, with responsibility for our practice in the Retail, PCP, HCP, and Textile Markets. The four primary service groups of Strategy, Operations, Information Systems, and Distribution are part of the Consumer Products Division. Geographically, this includes USA, Caribbean, Latin America, Canada and the Far East.

- *Barry Moore* will continue as Managing Director of the Health Services Division and will be appointed an Executive Vice President of KSA.

- *John Beddows* will continue as Managing Director of KSA, Ltd., which includes the United Kingdom and France. The Spanish region, headed by *Alberto Figa-Beleta*, will continue to report to John.

- *Hardy Artelt* will continue as the senior executive of KSA/GMBH which includes Germany, Switzerland, Holland, Italy and Eastern Europe.

- These four major practice sectors are our primary operating units and will each report to DAC as will the corporate staff functions of:

- 1) Finance and Administration — *Bill Beckemeyer*, 2) Communications — *Joe Scheines*, 3) Recruiting — *Ron Brockett*, 4) Professional Development — to be determined.

Within the Consumer Products Division several organization updates were needed to accommodate the responsibility changes outlined above:

- *John Wilcox* will assume responsibility for Consumer Products Marketing which includes coordinating our efforts in the three major markets of Personal Consumer Products, Home Consumer Products and Textiles and two geographic regions — West Coast and Canada.

- The Retail Marketing group, headed by *Jim Giddings*, rather than being part of Consumer Product Marketing per se, will be a separate marketing group in the Consumer Products Division reporting to Bob Frazier.

- Our International Divisions (Far East and Latin America/Caribbean) had been operating as part of Consumer Products Marketing, and is now a major delivery unit, primarily focused to Operations services. We will concentrate on building significant additional local capacity in Hong Kong, primarily in Operations related services for the next couple of years. Therefore, International will become the marketing/delivery

region of the Operations Service Group, until such time as our overall priorities permit adding capacity in those regions for other services.

Barry Moore and *Tony DeMaria* have been nominated for Board terms beginning in 1988. The nomination will be submitted to the shareholders at a later time. *Dean Vought* and *Ken Osborne's* current terms expire at the end of 1987. Per previously announced policy, all Board members who rotate off are eligible for reappointment one year or later after rotation.

Concurrently, with the above rotations, the Board has appointed *Dave Cole*, *Stig Kry*, *Bob Frazier*, and *Barry Moore* to the Financial and Executive Committee.

This senior level organizational approach will serve KSA well. A managerial focal point is provided for each major division, and we have retained our approach of as flat an organization structure as practical.

From the Editor

This issue of the Observer (our largest ever) is a celebration of all the people, past and present, who have helped to make KSA what it is today.

Its pages are crammed with articles about KSA at work and play, and includes several features on alumni. You can read about how a brand new KSAer sees us on page 20, learn about the ACBTETFPATPWCBT-TOFTAATCDTPD effect on page 14, and find out just about everything else going on at KSA in one of the 15 other articles or news items.

There's something for everyone, and you can't beat the price!

Happy New Year!



1987 Christmas Card Fund

Total Amount: \$12,400

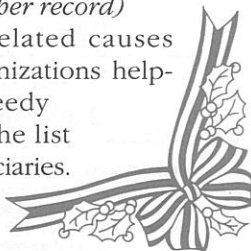
(a record)

Participants: 129

No. of Charities 115

(another record)

Health-related causes and organizations helping the needy headed the list of beneficiaries.



Twenty And Ten – A Personal Perspective

On the first of January, Dave Cole took over as the CEO of KSA. I have been in that position for about ten years and I have completed thirty years with KSA. On this occasion I want to make a few personal notes and give you my abbreviated view of what has happened in soft goods and in consulting as practiced by KSA over that span of time. Space requires me to be selective. No offense intended to the many important individuals, events, and services that I have failed to mention.

From the beginning, I was impressed by the thoroughness and the professionalism of KSA. I was interviewed for a day by Kurt Salmon in Washington. The next day I saw *Karl Striegel* and *Ross Runnels* and took the Wonderlic and Stanford. This process contrasted rather sharply with the selection procedures of one of KSA's competitors who interviewed me for 20 minutes at a lunch counter in Brooklyn. When the sandwich was finished, he slapped me on the shoulder and told me that I "was their man." As a result, I found myself with KSA and I never looked back.

I was first put under the wing of *Dean Vought* and that was good for me. He gave me all the independence I could handle but never enough rope to hang myself.

Our practice was simpler in those days and focused on sewing room engineering. That and Dean's professional development skills and lack of other willing candidates explains that after less than three years with KSA I was asked to go to the U.K. in 1960. That was not a very impressive background for the task of starting a practice in a foreign country where KSA's name was not well known. *Stuart Hollander* was on the payroll but with no consulting assignments and no real prospects in sight. One advantage was that neither of us knew what could not be done. With effort and luck we got the practice in the U.K. underway, and Germany and France followed.

With that modest beginning, KSA Europe grew in fits and starts under the subsequent guidance of *Freddie Wood*, *Larry Kallus*, *Stuart Hollander* and many other able individuals to become the large and successful part of KSA that it is today. And our international expansion continues unabated with new markets in the Far East and the Caribbean.

After two years in London and three in Paris, I returned to the U.S. in 1965.

KSA's IE-based practice was booming and on the strength of it the firm underwent a period of rapid growth that lasted well into the '70s. Imports had not yet become the industries' dominant concern. Most of our clients did business in stable segments of the men's apparel market. Lower cost through higher productivity was their primary concern. By that time we were engaged in the rationalizing of the whole manufacturing process. Cutting room engineering, material utilization and warehouse incentives had become important services and operator training enjoyed a period of very strong demand. A start had been made in the textile industry and a few years later we had our first retail distribution work. During that period of diversification, we also acquired a small health care consulting firm.

In the mid-'60s, KSA identified needs for better systems for planning and control as well as opportunities in a number of general management areas. We put these services and distribution together in the Management Services Division (MSD) and I was asked to head that group. It was an exciting opportunity.

In the early '70s, imports became the industries' primary concern. From a small base, imports grew rapidly and it was soon the issue and for many it remains the big problem. The exclusive focus on imports as a problem to be solved by lobbying for government protection distorted the view of the real world for many executives whose companies have by now faltered or disappeared. They were blinded to the opportunities for profits that the growth of international trade in soft goods opened up and they saw it strictly as a threat to a comfortable status quo.

But other companies traded up or moved into merchandise with more fashion as a means of escaping price competition from low wage countries. And instead of two seasons, four or even six seasons became the norm for some product categories. All of this was, of course, conducive to the growth of MSD.

An increasing number of manufacturers began to import and others located plants off-shore. This meant that there was less opportunity in operations consulting at home, but that a new market was opening up in developing countries. And off-shore operations consulting is now a very important part of our volume.


Toward the end of the '70s, a new

breed of entrepreneurs came into prominence. They remembered what much of a generation of apparel executives had forgotten: the way to make a dollar was to "buy low and sell high." Design a good product, sell it under a brand name at a premium price and have it manufactured by people who know how to operate in countries with the best costs. That, in essence, is the Liz Claiborne, Esprit and Chaus formula. These firms must rank among the great success stories in the last several years.

The next major phase in the continuing evolution of the soft goods industries would appear to be Quick Response. The effort to optimize the individual company's short term profits often results in adversary relationships between suppliers and customers. By working together, the whole soft goods chain should function more efficiently with greater benefits to all. Many opportunities are opening up for our clients and ourselves along this avenue. Private label programs by retailers and international marketing or apparel are other trends of growing importance.

What we have seen over 30 years is a continuing evolution of our clients' businesses. Thirty years ago our clients were extensively concerned with manufacturing efficiency. Then a more complete marketplace and product mix called for better marketing and improved systems. Free trade forced consideration of off-shore sourcing and now the effectiveness of the whole supply chain is finally receiving attention. There is a clear logic in this evolution—it builds on what has gone before with adaptations to new conditions.

There is a parallel to that evolution in

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Publisher Bill Cameron
Editor Janice Ryer
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A "True" Fun Run

KSA's consulting practice in a more diverse, more complicated and more sophisticated market. We, too, have evolved in keeping with our clients' needs and by continuously building on our accumulating body of knowledge. Relative to our clients needs and relative to the state of the art of consulting, the assignments of 30 years ago were just as challenging and just as interesting as they are today.

Our collective challenge is that we must continue to build on our accumulated expertise and stay on top of industry trends and individual client needs. And we must guard against any erosion of the ethical standards and basic values first established by Kurt and carried forward by *Karl Striegel, Jack Ullman* and the rest of us who, for longer or shorter periods, have worked together in KSA.

So how well did we do over 30 years of management consulting? As most firms, we have had periods of rapid growth and change while at other times developments have been slower. Overall I would say that relative to our traditional competitors, we have done very well, but relative to our most ambitious hopes, we could have done better. KSA's management is in good hands and I am convinced that we are now in another long period of strong development.

For me, it has been a fabulous 30 years both personally and professionally, and I thank you all—friends, present colleagues and alumni—for the opportunity of working with you. I plan to be around for some time in this wonderful world of management consulting with KSA, so this is only a "progress report."

Happy New Year!

Letter to the Editor

Dear Janice:

I'm enroute from Hong Kong to Penang, Malaysia.

The *Observer* is sitting on my lap — I've enjoyed it immensely. It provides an important link to the rest of KSA. Those of you connected to our U.S. practice may not fully appreciate how much the *Observer* means to those of us on the extended edge of KSA's practice.

Suffice it to say, we enjoy reading about ourselves and our far flung associates around the world — the sun truly never sets upon a KSAer helping a client.

— *Butch Price*

"How long is the course?" Three miles, more or less. "How much juice and water will we need?" A lot. "How many volunteers does this shindig require?" A bunch.

A sidelight of the annual AHA (American Hospital Association) convention, held in Atlanta this year, was Hamilton/KSA's sponsorship of the annual Fun Run on the second morning of the show.

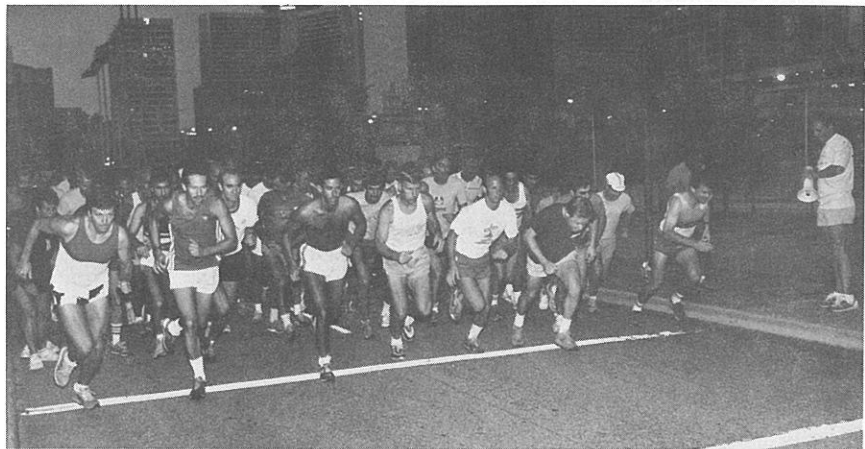
Taking advantage of the "professional" Atlanta office talent that works the Peachtree Road Race each year, our event transcended the run-of-the-mill fun run, and became a polished event of police escorts, lined course, mile monitors, water breaks, and a professional photographer.

Employees and spouses became instant

race experts as they organized 200 runners for a 6:00 a.m. start near the Atlanta Civic Center. Spouses *Robyn Cole, Jolene Miller, Carol Moore*, and *Steve Parker* had mile-monitor duty while their mates somehow managed to assign themselves to the more glamorous tasks of refreshments and t-shirt distribution.

The Fun Run, with the emphasis on fun, was a great success, thanks to the following: *Ron Brockett, Robyn and Dave Cole, Jolene and Bruce Miller, Kelly Felker, Dianne Gunn, Joyce Holland, Carol and Barry Moore, Libby Morgan, Susan and Steve Parker, Bucky Knowles, Anne Robison, Chuck Killian, Janice Ryer* and *Mark Wietecha*.

— *Beth Souther*



Over 200 hospital administrators and personnel line up at the start for a 3-mile run and t-shirt.

Training and Professional Development

Training

1987 has been a busy year for training. Due to a superb recruiting effort, KSA assembled two large Orientation classes; 16 participants in January and 18 in July.

Twenty-nine students, drawn from client personnel and other industry relationships, participated in four Apparel Engineering Basics Courses. Fourteen students attended the popular Plant Manager's Course. In Jamaica, 27 students were trained as engineering technicians.

Professional Development

Speakeasy, a professional speak-

ing and presentation course, boasted 10 students in two courses that were designed exclusively for KSA executives. Several other KSAers participated in the public Speakeasy sessions available to executives of other companies, too.

Etc.

New principals recently participated in a two-day training session in Atlanta. Emphasis on professional development is growing as many KSAers are participating in a variety of seminars and workshops.

— *Bill Cameron*

Lights, Camera, Action: Marketing a New Men's Clothing Line

If clothes make the man, or at least if clothes can make us look as good as the model in these photographs, the new Stock Options line by Lanier Clothes will be a tremendous success.

Lanier Clothes, a division of Oxford Industries and a long time KSA client, manufactures suits and sportcoats primarily for chain stores. The company also makes tailored clothing under the Robert Stock label, and sells the line through department stores.

For some time, Lanier has wanted to expand its market share in department stores, and had recently developed a new line of clothing with that objective in mind. The line's concept focused on "better" separates. Pants and jackets made with high quality fabrics and updated styling are sold separately. The whole package coordinates to create the look of a suit or a sportcoat/slack combination with a carefully selected group of fabrics. The line is named "Stock Options."

The concept was unique in the marketplace and Lanier was not sure how to "sell" this to department stores. "Who is the consumer for such a garment?" "How will the line be bought?" "How should it be merchandised?" "What will the retailer require to make it happen?" etc. To answer these questions and then develop a clear, cohesive, focused selling strategy, Lanier turned to KSA for assistance.

Under the direction of *Freddie Wood*, *Phil Kowalczyk* and I implemented the project. KSA recommended a three-pronged approach to developing a selling strategy for Stock Options.

First, we worked with *Dudley McIlbenny's* NPD group in New York to determine the major purchasing trends in tailored clothing. *Dudley* and *Nancy Greeley* provided data on how men's clothing is being purchased today. Trends were identified by channel of distribution, price point, fabrics, and consumer demographics.

Interviews for Research

Secondly, KSA recommended that Lanier conduct some pure consumer research via Shopping Mall Intercepts. 400 suit-wearing consumers were stopped in 4 area malls in 4 cities — Boston, Chicago, Dallas, and Los Angeles. These consumers were asked a battery of questions about their suit purchasing behavior; they were then shown the Stock Options line and asked

another set of questions about the concept and its execution.

Thirdly, KSA recommended that top level men's merchandising executives in target department stores around the country be contacted to get their reaction to the line. Phil and I (mostly Phil) visited 20 executives in 10 department stores in 6 cities around the country.

We found that:

- Tailored clothing apparent consumption in the United States is a large market (\$5.6 billion) and slightly increasing in units and dollars. Tailored clothing includes suits, sportcoats, slacks, and suit separates.

- Interviews with department store executives revealed that the idea of coordinates for men's tailored clothing is timely and they believe can lead to multiple sales.

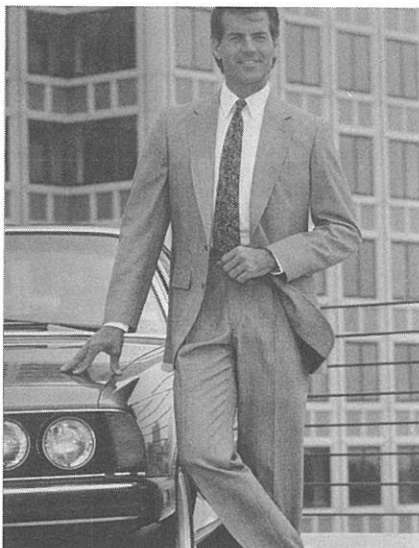
- Customer interviews indicated the customer for Stock Options is very identifiable and very desirable for department stores; the customer is married, professional, highly educated, and affluent.

- Consumers recognized the benefits of Stock Options and ranked the following features in order of priority.

1. Versatility
2. Quality and Fabrication
3. Ease of fit

With this in hand, KSA was then prepared to put together a selling package which outlined the target customer, how the garments should be sold, displayed and merchandised, why the retailer should carry it, etc.

After Lanier management reviewed



the results, the data was arranged in slide format for senior department store executives and we were ready to photograph the clothes.

Lights, Camera, Action

KSA's Communications Department interviewed and hired a fashion photographer, reviewed different models' "books" (buzzword for portfolio), and hired a stylist who accessorized the clothes. We hired an Atlanta model and decided to shoot a morning to night series to illustrate the versatility of the clothes. All eight items of the "Foliage" and "Graphite" series were interchangeable to create 16 different looks.

The photographer, model, lighting assistant, dressing assistant, and the KSA entourage, set up scenes and different lighting in four locations to provide the illusion of different places and different moods for the clothes.

The eight-hour shoot took place on Tuesday after the stock market's Black Monday. With a name like Stock Options, there were plenty of sick jokes to keep the crew amused.

We returned to the office to assemble our data and to sift through more than 500 slides. The presentation was unusual in that it started with consumer trends/needs and worked backward to show the retailer the need to react to his customer.

We scripted and fine-tuned the presentation and gave it to Lanier management to take on the road. The clothes will debut in department stores in Fall 1988.

—Madison Riley

All in the Family

Editor's Note — Marilyn Friedlander, an educational programmer in the Nashville office, competes with her husband, David, on getting the most out of a computer. Recently, David (on the Governor's staff in Nashville) utilized his expertise in a pro-active effort to get out the vote for his boss. David was most successful in getting Ned McWherter elected. Here is his story:

Learning about computer technology can be easy if you have good teachers. I was lucky enough to learn from a computer consultant and a CPA, both highly knowledgeable in their fields. Then I was fortunate enough to put my newly acquired computer skills to good use.

In 1984, I was working for a small publishing company with several computers. At that time, Bart Gordon, an attorney from Murfreesboro, was running for a U.S. Congressional seat. After being introduced to him, my business partner and I decided to put our mutual interest in government and public service to use by donating our time and computers to help elect Bart.

Using Symphony and Lotus 1-2-3 for our spreadsheets, dBase III for our mailing list data entry, and Microsoft Word for our word processing package, we were able to locate, by utilizing phone banks compiled from election commission voter lists and phone company tapes, over 15,000 registered voters in selected precincts. Combining this data base with a variable text letter, we mail merged thousands of letters to Democratic voters in middle Tennessee. Eventually, we pinpointed the positive voters, and 2 or 3 days before the actual election, in a GOTV (Get Out the Vote) program, sent postcards to or called these positive voters. Bart Gordon won the election and was re-elected in 1986.

When Ned McWherter ran for the gubernatorial office, I served on the campaign staff as computer operations director. We refined the techniques which had proven so successful in Rep. Gordon's campaign. This time we customized dBase III Plus, which has a built-in programming language so reports and programs can be modified to your own specifications, rather than be limited to the parameters of standard political software. The campaign generated at least 250,000 pieces of direct mail for fund-raising and correspondence. Again, our computer campaign was successful. For me, personally, it was very beneficial, as I am now serving as Director of Administrative Services on the Governor's staff here in Nashville.

From the President

by Dave Cole

1987 was an interesting and exciting year. Several things in particular should be mentioned.

New Authorizations

We are having a *record* year for the firm worldwide in new client authorizations. Through Period 10, our project authorizations were 28% above budget in KSA/North America and 33% above the prior year. Health Care (HSD) was 56% above 1986 and Consumer Products (CPD) is up 29%, led by exceptionally strong increases of 75% in Information Systems and 65% in Distribution. CPD Operations is up 8%, and Strategy was about even with the prior year. We are substantially ahead in Europe due to generally strong business and the large Russian projects.

In the USA, billings substantially lag authorization increases due to the calendar time to schedule and deliver work, and therefore our P&L will not be as exciting. However, these very strong increases have added substantially to our worldwide backlogs, which provides the foundation for a very strong 1988.

New Clients

We've added over 200 new clients this year in KSA/NA, such as: Time, Inc., and Egghead Software in Retailing; Dae Woo and Workwear Corp. in Consumer Products; Cook County Hospital and University of South Florida Medical Center (Tampa) in Health Care.

Market Focus

Our objective is to be the premier international management consulting firm serving the consumer products and services markets. To meet this objective requires adding to our core in Consumer Products. This year in the USA, Apparel, our original market, is up about 15%. It also requires a large practice in consumer service sectors. To date, new projects in Health Care and Retailing combined *exceed* apparel for the first time in our history.

New Initiatives

Two new joint ventures were started in 1987:

- KSA/INFOSYS — A new joint venture company is being formed between Infosys Consultants Private Ltd. of India, and KSA, Inc. to serve KSA clients worldwide in software development. Infosys is a leader in software technology.

- Value Added Management (VAM)— This is a new service combining the best

of Just in Time, employee involvement programs and quality circles. We have obtained the license for this service as part of advances to our Operations practice. Initial projects with key clients are proceeding very successfully.

Integrated Services

The backbone of the firm is major results-oriented implementation projects in the core service areas of Operations, Information Systems, Strategy/ Marketing, Distribution and Facility Planning.

Increasingly, these projects take the form of integrated services, such as VAM, distribution systems, manufacturing information systems, health care strategy/facility planning. They are supplemented with the new ventures and delivered to new, as well as long-term, clients. We set ourselves apart by providing results-oriented services, which combine disciplines from multiple functional areas as well as world class single functional projects.

Quality

We constantly discuss quality; it's the biggest determinant of our success. There's a direct and proportional relationship to quality of delivery and success of the Firm.

Each time we discuss it, we come to the same conclusion. Quality is related to our individual commitments — to scope projects well, manage well, deliver well.

Our rate of repeat business and inquiries based on our reputation are all very high; therefore, we conclude that quality is good. We must never find ourselves in a position of repeat engagements and referrals indicating otherwise.

Consulting is a profession predicated on creating positive and lasting change in client organizations. It is axiomatic that consulting firms which are successful over generations must internalize positive and lasting change. We hope we are succeeding at that imperative. At times, it may not be rapid enough . . . at times it may seem too rapid . . . at all times it is in the context of building a premier international management consulting firm serving consumer products and services industries within our defined values of client interest first, integrity, and financial soundness.

Best wishes to all for a productive and enjoyable 1988.

At the beginning of 1987 we renamed the old "Control" service group as the first step in making our systems services more responsive to our markets. We now call ourselves the Information Systems group and that name change allows us to lay claim to the "newest kid on the block" title. More significantly, our new name is a more precise description of what we do and makes the communication of our services to the market considerably easier.

Information systems has been a very high growth area for professional services in the last five to ten years. There are several market forces behind this growth and KSA is moving to reposition our service offering to take advantage of those forces.

Industry estimates indicate that the demand for new application development is growing at 12–15% per year. The supply of MIS professionals is increasing somewhere around 4% per year, as is our productivity. That supply/demand gap is further aggravated by the growing importance of information systems to an organization's growth and profitability. We increasingly hear of marketing programs being delayed until computer programs can be developed, of customer service programs being built around real time computer systems, and of information being used as a competitive weapon. Finally, the

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MIS function, like most administrative functions in American business, is under a lot of cost/performance pressure. The Chief Information Officer is increasingly being asked to deliver more and spend less.

Our Client's Concerns

All of this is creating a major opportunity for KSA — and for our competitors in the systems business. Virtually every one of our clients has major systems development needs. It isn't always easy to address those needs nor to obtain the commitment of financial

resources and management time needed, but, there quite clearly is a large demand for high value systems development services from clients to which KSA's market specialization provides ready access.

Capitalizing on that opportunity requires a good understanding of the issues that confront clients in our specialized market. Those issues change rapidly and we need to be sensitive to those changes, but here are the current

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key topics that our clients are probably concerned with.

Quick Response Systems — Quick response is emerging as a key operating strategy that many of our clients will pursue. Radically different systems are an essential part of quick response. Q/R systems are characterized by moving business transactions via electronic means, by planning systems that are driven directly from point of sale consumer demand information, and by systems that cut across enterprise boundaries.

Anyone adopting a Q/R operating strategy needs to make systems changes and get his suppliers and customers, both of whom are usually also KSA clients, to make major changes. KSA is in a good position to orchestrate and implement those changes.

Incidentally, a lot of the information concepts required by Q/R make such good sense that we are beginning to see clients, who are not adopting Q/R as an operating strategy, developing Q/R type systems. Eventually, the information systems techniques fostered by Q/R will be used by everyone in the soft goods chain and we will see fundamental changes in the way business is transacted in the chain.

Asset Utilization Support — In the late 1970s and early '80s everyone in our target market devoted a lot of attention to managing inventories and receivables. KSA's control services' business

was centered on the "Merchandise Control" issue because that was the single most important systems topic on our client's mind.

Our clients have made a lot of progress in this area. KSA's financial profiles shows that in 1981 inventories and receivables amounted to 68% of total assets in the typical public apparel company. By 1985, that had been driven down to 60%!

In spite of that major improvement, utilization of assets, particularly inventories, remains a major issue for most of our clients. We see that issue being pushed by the merger/acquisition/LBO activity that puts great pressure on capital; we see increased interest in the analytical, information aspects of merchandising; we see a lot of investment being made in forecasting systems, in reductions in lead times, and in improved customer service.

Global Sourcing Control — The great growth in apparel imports in the last decade has been accompanied by the emergence of huge apparel firms that have no owned manufacturing. These firms typically have very large administrative staffs and limited information systems support — many have grown too fast for the systems function to keep up. In the past, they have employed a rather simple sourcing technique: they sent the merchandiser to Hong Kong several times a year to use the highly responsive, well managed Far East supplier base to take care of all of the logistics.

Scarcity of quota, competition for capacity and quickly changing currency valuations are rapidly forcing changes in this area. All of the major import-driven firms are faced with an enormously complex and diverse sourcing problem today. Their products are sourced literally all over the world and they are increasingly sourced in locations where the buyer (the importer) rather than the supplier must provide logistical support.

Managing that complex and diverse problem is, fundamentally, a process of managing a worldwide flow of informa-

“
Utilization of assets, particularly inventories, remains a major issue for most of our clients.”

—KSA's Newest Service Group

tion and decisions. In most cases, our clients need to build systems, procedures and organizations to respond to the global sourcing issue.

MIS Productivity — The fourth, and final, key issue of concern to our clients is the productivity of their management information systems function. MIS organizations have historically not performed well in terms of delivering quality systems on time and in providing meaningful benefits to the organization. That poor performance has, in the past, been tolerated by a top management that didn't understand the technical aspects of systems development and that were able to operate effectively in spite of poor MIS support.

We sense a major change in top management's tolerance level. Systems are becoming very important to the success of the business; MIS costs, like all overhead costs are being critically scru-

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tinized and management is increasingly demanding fast, professional results from their systems function.

KSA's Information Systems Practice

We examined KSA's Information Systems practice in late 1986 and concluded that some re-focusing of our "product line" was required to respond to the key issues outlined above.

First, we are convinced that the markets which KSA serves provide plenty of opportunities to achieve high growth rates. We are also firmly dedicated to KSA's basic strategy—market specialization, superior quality of service, implementation of innovative changes that make a real difference in our clients business.

Secondly, we are firmly committed to being in the software development business. Our overriding objective will be implementation and in the information systems business that means writing and installing computer systems. We have not always approached the software development stage of projects aggressively in the past. Our internal capacity has been limited, software pro-

jects are difficult to manage and subject to a lot of overrun pressures and they are hard, intense efforts. But, if we are

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Management is increasingly demanding fast, professional results from its systems function.”

to have a meaningful information systems practice, we need to get heavily into the programming business.

Finally, we recognize that growth of our practice requires much better ways of leveraging our experience base. Information Systems has great resources in our principals and staff. We have to add significantly to those resources and we must quickly and methodically spread our "body of knowledge" to new consultants in order to grow and maintain quality.

There are many efforts underway to capitalize on our strengths and make our service offering more in tune with the market.

• **Promotion of Q/R Systems** —KSA is playing a lead role in promoting the adoption of quick response systems in our market. We have, through the efforts of *Neil Thall*, *Randy Nord*, and *Dave Cole*, made a widely recognized contribution to the development of standards for information interchange and bar code product marking. We have also joined forces with the GE Information Systems division, a leading supplier of electronic data interchange services, to conduct a series of "Information Revolution" seminars in the U.S. Two seminars have been held to date, more are planned, and we have gotten some very good publicity and some excellent business prospects from that effort.

• **Software Development Capacity** — We are doing a number of things to add to our software development capability. First, we are quickly reorienting our thinking on this topic. We used to approach the software development stage of projects with the assumption that our client would do the programming and only in special situations would KSA provide the software development capacity. Now, we tend to approach projects in exactly the opposite way.

Second, under the leadership of *Joe Irastorza*, we have formed KSA/Infosys,

a joint venture software firm which offers very high quality, high value programming resources. KSA/INFOSYS eliminates any practical capacity and skills limitations in the programming area.

• **Standardizing Methodologies** — Information Systems is way behind our other service groups in developing standards. This has always inhibited our growth by making it difficult for a new consultant to become productive as quickly as we and the new person would like.

We have purchased a Computer Assisted Software Engineering (CASE) product which provides a set of proven development standards "off the shelf." *Alan Dabbieri* and *Dave Denny* played lead roles in the evaluation and selection process and we are now training our entire group in the new methodology.

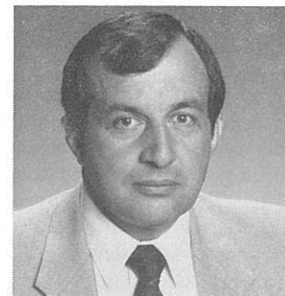
• **Software Packages** — Both Operations and Distribution have enjoyed great success with utilizing software packages in their practice. We think that similar opportunities exist in our area.

A unique forecasting package is being developed under the leadership of *Doug Moore*, *Steve Schlebuser* in Apparel and *Musa Rubin* in Textiles are working on package opportunities in standard cost systems, *Lee Griffith* is working on extending and packaging the inventory modeling system used in many merchandise control diagnostics, and we are looking for other package opportunities.

• **Staff Additions** —Five new staff consultants joined the information systems group in 1987 and we are continuing to recruit both new college graduates and experienced systems consulting people to add to our capacity.

These are indeed exciting times for the KSA systems group. We have a solid base of experienced people, we have a long heritage of quality work to build on, our clients are increasingly faced with major systems issues, and we have many interested efforts underway.

— *Mike Barnes*



Barnes

Reflections from

Paul Connell *former Director of Finance*

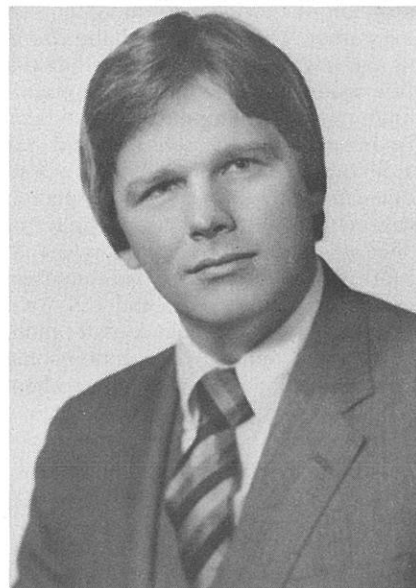
It was the fall of 1973. I scanned with horror the mechanical aptitude test which *Bill Howells* had just handed me at KSA's Princeton office. The page was covered with gears, widgets and whatchamacallits of all sizes, shapes and descriptions. Bill assured me that this was the final test in KSA's battery of diagnostic, intelligence and aptitude tests. I was sure that this was the one that was going to get me; it seemed to me that if you turned the large gear in question once counterclockwise, the whatchamacallit in question seven would move upwards. That couldn't be right. Determined that I was to be a KSA consultant, I struggled on. After all, I thought, maybe some good would come of this. Notwithstanding *Randy Nord's* prior advice that the best possible training for the KSA systems consultant was to first learn the manufacturing environment, maybe my dismal showing on the mechanical aptitude test would convince KSA that I should enter MSD directly, rather than first spending some time in MMD.

Maybe not. A few months later, I stood on the floor of the M. Wile sewing room in Buffalo, New York, watching *Ida Podjowski* sew on a recently engineered operation, in a very deliberate fashion. *Ida*, of course, had let me know that she had been sewing coats since before I was alive, and that there was no way she could sew as many a day as I said she could. *Bernie Wolford* told me that we had to get the rate, since *Jack Downie* had said *Glenn Larson* had already achieved the rate at Santone. (Much later, we would learn from Glenn that Jack told him he should be able to get the rate, since Bernie had obtained it a M. Wile.) Applying all of the principles contained in Kurt's admonitions and the invaluable instructions provided by *Bob Pee* and *Bill Cameron* in initial training, I persisted, looking forward to the day when *Ida* would sew at 100% and I would return to the warmer climate of Atlanta.

Ida, of course, made the rate, but someone somewhere had decided that I was well-suited for the colder regions of North America. On Christmas Eve Day in 1975, *Cheryl* and I arrived in Montreal, Canada. The assignment was another coat shop engineering project, this at Merit Clothing, where *Ken Osborne* taught me how to deal with walkouts by a militant union and with

car bomb threats, and *Charles Topping* taught me how to run anything and everything using an air compressor. Later, I moved on to Peerless Clothing, also in Montreal, where, under Ken's direction, a KSA team comprised of *Pete Eblinger*, *Tom Austin*, *Ron Brockett*, *George Soffron*, and *Al Duraney* achieved significant engineering improvements for our client. Remarkably, and despite my irrational fear of gears, I had become a KSA consulting engineer, to the credit of the KSA approach and as the result of careful supervision and tutelage received from my KSA colleagues.

Montreal was lots of fun. *Chick* and *Marcia Schwartz* warmly introduced Cheryl and me to their fine city. There were a number of evenings at some of Montreal's finer restaurants and clubs which were well attended by KSAers, not only those resident in Montreal, but also by those passing through—Ken, Peter, Ron, Tom, Bernie, *Ken Campbell*, *Smiley Jones*, *Roger Freise* and *Dan Bray*, among others. I remember Ken paying some tabs he called "Schenke-Shakers" (I would better appreciate such things later, following my move to Dept. T). Much time was also spent



Paul Connell does not toot his own horn so we will. He is a rising star in international law at Kilpatrick and Cody, a premier firm. When Paul was promoted at KSA, Jack Ullman told the photographer to try to make Paul look older so his appearance would match the weight of his title and experience. The photographer couldn't do it. He still looks youthful.

on the ski slopes of Mt. Tremblant with *Al* and *Debby Duraney*, *George* and *Andy Soffron*, and *Charles* and *Linda Topping*. As I told *Howard Cooley* in my final MMD review, I was enjoying the engineering and, even, the cold weather. Obviously it was time to move on. Soon thereafter, we returned to Atlanta.

Randy was right. Following my transfer to MSD in the summer of 1977, I participated in a number of KSA manufacturing systems designs — with *Jerry Kavanaugh* and *Phil Brader* on the Oxford shop-loading system, with *Joe Irastorza* at Palm Beach for piece goods control and at Riverside Manufacturing for statistical forecasting, and with *Randy Nord* and *Mark Schneider* at Santone; in each case, the value of the prior manufacturing experience was apparent to me. The KSA approach had proved itself correct once again.

By June of 1980, I had completed my law degree, and approached the first "cross-roads" in my career. Earlier, on a return trip from Carter's in Griffin with *Dave Cole*, we had discussed the pros and cons of my entering private legal practice. Then, and in subsequent conversations, Dave had pointed out the advantages of putting my newly-developed skills to work at KSA, in an administrative capacity. On Dave's recommendation, I met very early one morning in New York with *Stig*, *Dean*, and *Jack*. Soon thereafter, I started work in Dept. T.

Dave was right. I consider the two and one-half years as KSA's Director of Finance to have been a most exciting and productive time in my career. Working with *Bill Schenke* and *Bill Beckemeyer*, and ably assisted by the entire Dept. T staff — *Jeanne*, *Nancy D.* and *Nancy T.*, *Judy* and *Don* — much of KSA's accounting and administrative function was updated or restructured. I was able to work with *Stig*, *Dean* and *Jack*, and also with *Bob Frazier* and *Cecil Phillips*, in areas such as finance, tax-planning and pension planning, and I learned a great deal about a good many things. It also afforded me the opportunity to work with *Stig*, *John Beddows*, *Hans-Horst Hensche*, *Peter Amrein* and *Alberto Figa-Beleta*, among others, on matters relating to KSA-Europe; today, Europe is an important and favored part of my

KSA Alumni

legal practice.

In January, 1983, I decided, finally, to pursue the private practice of law and left KSA to join Kilpatrick & Cody. In many respects, the practice of law is consulting in a specialized area. It has been clear to me from the first that the entire KSA experience—from Ida Podjowski to the car bomb threats to my tenure in Dept. T — has assisted greatly in my development as a lawyer. KSA's thorough approach to its work, its concern for its clients and, as always, its "follow-up", are indicative of a professional standard which all consultants, lawyers and professionals should seek to obtain. I was fortunate to have been schooled in such an environment.

It is obvious to me that my eight and one-half years at KSA was a period of constant opportunity and professional development. KSA is, and always will be, an organization of first-class professionals and I, like all KSA alumni, benefited enormously from my association with the Firm. It was also a place where Cheryl and I made many friends. This seems to be an opportune time, not only to extend greetings to my friends at KSA, past and present, but also to express appreciation and thanks for the KSA experience.

And so, to all of KSA and to its alumni, thank you, and Happy New Year!

Catching up with KSA Alumni

Dave Perdue is President of National Heritage Holding Company in Alpharetta, Georgia. He and *Bonnie* are building a new home in Duluth, Georgia. Dave notes that he has survived another soccer season with sons *David*, (10), and *Blake*, (8).

Bill Sand is Director of Operations for Franco Manufacturing. Bill, wife *Sbaron*, and children *Matthew* (7), and *Allison* (5), make their home in Matthews, North Carolina, outside of Charlotte.

The Importance of Relationships

Somewhere in KSA's balance sheet there should be an intangible asset called Relationships. This would include all of the many long term feelings of confidence and trust earned by KSA consultants while performing engagements for individuals within our client firms.

As these individuals, who are very

Karl Striegel *retired Chairman of the Board*

Since many of you don't know me, let me fill you in:

My wife, *Jane* and I have three children: *Scott* (38), *Pam* (35), and *Deb* (34). We also have three grandchildren — by *Scott* (*Julia* 16, *Michelle*, 12), and by *Pam* (*Kare*, 14 months).

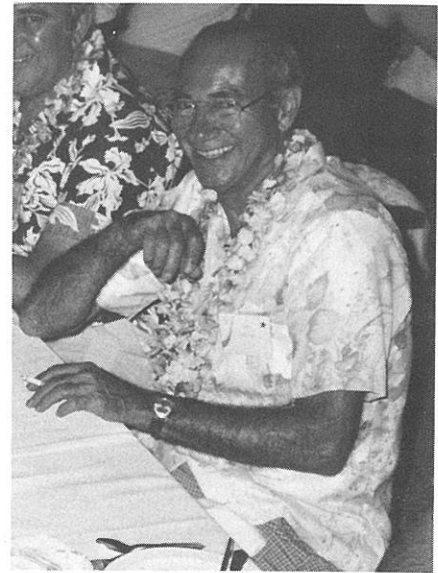
Scott is a vice president with Aetna Life and lives in Connecticut; *Pam* is a housewife/mother in Wilmington, NC and her husband, *Eddie*, operates a roofing business. *Deb* is a school teacher in Daytona Beach, and is married to *Bruce*, who is in the seafood wholesale business. *Jane* and I have a house in Greensboro, NC (May to October) and a house in Daytona Beach (November to April).

At the time of my retirement (January 1, 1977), we owned three motels in Daytona Beach. My brother (*Richard*) and sister (*Betty*) were running the motels. *Janie* and I envisioned spending five months in Greensboro and seven months in Daytona. Greensboro was to be golf, fishing, socializing while Daytona would be devoted to helping run the motels. Dreamer! Have you ever tried to be in business with relatives? Upshot was that in three years we sold the motels and bought a house in Daytona. *Richard* and *Betty* lived in the house year-round and we lived there seven months each year. *Richard* passed away in May of this year.

During my career as a consultant, I traveled extensively, helped build a consulting firm from \$150,000 per year to X millions, played a role in the careers of many KSA personnel, helped save companies from bankruptcy, influenced the earnings/lives of thousands of factory workers, had some effect on unionization, made a contribution to SGMA/AAMA, had some influence on labor laws/minimum wage in Washington, assisted firms in mergers/

much a part of KSA's extended family, progress in their careers, we are often fortunate to have them call us in to many new and varied situations.

A good case in point deals with one of the Board members for our client, *Movie Star*. Several years ago *Peter Brown* and *Linda Ortwein* did a Business Strategy Project for this client. Our reporting during the engagement



Striegel

acquisitions, etc. I guess what I'm really trying to say in this confession is that we may have an inflated opinion of our achievements. The real hero/heroine of the KSA saga is the one who keeps the family together and on an even keel. Kurt always said it is more important to interview the spouse than it is the potential consultant. He was the most intelligent man I've ever known.

But since my retirement I have realized that I was playing in the minor leagues during my thirty-six years as a consultant, and it was really *Janie* who was doing the problem-solving in the major leagues. I have learned that it was much easier to solve problems objectively for a client, than it is to solve one for a member of your own family. *Janie* handled this end of it for thirty-six years . . . and my hat is off to her. I couldn't have done it!

So this is dedicated to all KSA spouses — God bless you! . . . and especially thank you, *Janie*, for giving me the opportunity to be a consultant . . . and for delaying my retirement.

was to the Board of Directors. Mr. Saul Silverman was a member of the firm's legal counsel. He has since semi-retired to Florida. In his semi-retirement he serves on six boards, four of which are for companies in consumer products. During the past 18 months we have been called into two of these companies. One of these resulted in a Distribution

Continued on page 11

100 Years of KSA Experience

1962 was a very good year. Recruiting that year produced three future vice presidents and a director of communications. *Randy Nord*, *Bill Reed*, *Joe Scheines*, and *John Wilcox* recently celebrated 25 years with KSA.

After his first years with KSA, *Randy Nord* could have written a book titled, "Small Southern Towns I've Known". He moved around more than an itinerant preacher to places like McRae, Hartwell, Athens, Winder, and Bowden.

Randy joined KSA after receiving his Masters Degree from Wharton. A native of Jamestown, New York, he graduated from Dartmouth with a bachelor's degree in economic geography.

In his early KSA career, Randy specialized in apparel productions areas and then moved to Control. From a Princeton base, Randy managed the Control Group.

Randy's love for water is legendary. He is an accomplished sailor who is willing to show anyone the ropes if they can find their way around the galley.

Last year, Randy and spouse, *Betty Lou*, returned to Atlanta when they were offered a fabulous deal on beachfront property on the Florida coast; only 5 hours from landlocked Atlanta. Funny, they won't give anyone directions to their beach house!

Randy now divides his time between systems and strategy work.

Bill Reed lists textile operations as his area of concentration, but "international traveler for KSA" probably most aptly describes him. At last count, Bill had worked in and/or traveled in 64 countries. If that's not *the* KSA record, it's close.

After receiving his master's degree in industrial engineering from Georgia Tech, Bill joined KSA. After some apparel project work, he switched to textile



Betty Lou and Randy Nord

operations, and now lists some of the world's most prestigious textile manufacturers as his clients.

Luckily, for KSA, Bill thrives on travel, and has become an international stamp collector, a natural outgrowth of his job.

Bill is a gadget freak. He owns the newest electronic gadgets before they're even offered in most catalogs. The gadgets in his home resemble Star Trek IV without Spock.



L to R: The Nords, John Wilcox, the Reeds

One of Bill's latest acquisitions, while not electronically revolutionary, has certainly changed his habits. His wife, *Kline*, reports that their lawn was seldom mowed, but then Bill bought a riding lawn mower. He motored around his Marietta neighborhood to show off the new machine, and now mows his lawn whenever he's in town.

When *Joe Scheines* was a child, his dad was a toy wholesaler so Joe always had the best toys in the neighborhood. He, therefore, set the rules and terms of play. Joe still insists on getting his way when it comes to wordsmithing and brochures.

A graduate of the University of Wisconsin, Joe joined KSA after a number of years as a journalist/public relations specialist in apparel and related industries. He had so much experience that we didn't have to send him to McRae.

Joe was charged with the responsibility of making Kurt Salmon Associates



Bill and Kline Reed, with Freddie Wood

well-known to the world. KSA was already a household word in Winder and Waco, but since that time, the Firm has achieved similar status on a broader foot, thanks to Joe.

Joe has attempted to make writers out of engineers. He's worked hard over the years to teach us how to dot our i's and cross our t's. To date we haven't achieved the same degree of success in this area as we have in name recognition. However, Joe continues the effort with a ruthless editing pencil, and he may even succeed one day.

A golfing addict, Joe bought a condo at Hilton Head when he learned there were no greens fees

for property owners. He spends more than an occasional Saturday on the golf course near his and wife, *Rita's* home in Teaneck, New Jersey.

John Wilcox, the ultimate organized engineer, will drive a disorganized person crazy. Once, when traveling on a group vacation, John prepared a minute-by-minute three-page agenda for all travelers. The plane's departure was delayed by 4 minutes. Before he even buckled his seatbelt, John reached for his briefcase, checked his watch, and turned to his fellow travelers to ask them to adjust their schedules by 4 minutes. That's John.

After graduating from North Carolina State with an industrial engineering degree, John joined KSA. He later took a leave of absence to complete his MBA from the University of North Carolina at Chapel Hill. Since then, his favorite brochure and slide background color has been Carolina Blue.

From a Greensboro base where he

KSA forms Joint Venture with Infosys

still lives, much of John's early work in women's sportswear prepared him to head KSA's efforts in that segment of the apparel industry. John was later charged with overall marketing for the Firm's personal consumer products practice, and has recently assumed responsibility for all consumer products marketing.

In college, John was a championship swimmer. He has revived that interest in recent years, combined swimming with running, and cycling, and has become a triathlete of merit. He also runs the New York Marathon in a very respectable time. Now if the Marathon could be scheduled on a weekday, John could visit, on foot, 4 clients in Brooklyn at 20 minutes each, 3 clients in Manhattan at . . .

Congratulations and thanks to all four for a wonderful 25.

— Bill Cameron



Joe Scheines, with Jill Steinberg

Importance *Cont'd from page 9*

proposal by Steve Riepenhoff for a Long Island manufacturer of retail fixtures. This project has not been authorized at this point; however, it should be soon. The other is a major Seventh Avenue dress firm where Peter Brown recently sold a \$100,000 Business Strategy project.

Neither of these projects would have ever come our way had it not been for the confidence and trust of Mr. Silverman.

Peter Brown felt strongly that mention should be made of importance of relationships using this as an example. The writer always likes to do what Peter suggests, so here you have it.

—John Wilcox

In September, KSA, Inc. and Infosys, Ltd. formed a joint venture to provide software development for consumer products companies. The company will be called KSA/Infosys.

Infosys is one of the leading software companies in India, with over 100 software specialists experienced in state-of-the-art U.S. computer systems. The firm has an extensive list of applications up and running in the U.S. and elsewhere. We have worked on a number of joint projects with Infosys for major clients and their skills very effectively complement KSA's.

The skill of KSA/Infosys will help us provide client managers the systems and information they need in today's competitive business environment. KSA/Infosys will make available to KSA clients very experienced and capable programmers at competitive rates which will significantly increase our delivery capacity for major turnkey projects.

Mike Barnes and Joe Irastorza led KSA's negotiating efforts on behalf of the Information Systems Group and N. Murthy, Infosys' Managing Director, represented Infosys. KSA has a majority interest in KSA/Infosys. Musa Rubin will

be the Managing Director and Kris Gopalakrishnan, of Infosys, will be the Technical Director.



Joe Irastorza and N. Murthy sign agreement forming KSA/Infosys

So, how did you like it?

During my recent stay in the U.S. I had the opportunity to make a lot of friends, to study the way of working and living of my American colleagues, and, of course, to learn a lot about distribution.

As the weeks passed by, I realized that my English had really improved. It must have been hard for my American colleagues to listen to me in the beginning, and I'm very thankful that they took a few minutes more to make sure that we understood each other. I had the most difficulty with colloquialisms: I remember in particular a meeting with a client during which the general manager continually described things as being "screwed up." I pictured him in my mind, somewhere in the shop, turning a screw. Later, a KSA colleague explained the phrase to me.

One of the most important things for me was to see that my American colleagues in distribution services are very highly experienced and to see that they are glad to help and to support a colleague if they can. That makes me feel good for the future.

It was very nice to meet you all.

—Siegfried (Siggi) Schuttpez

New Staff

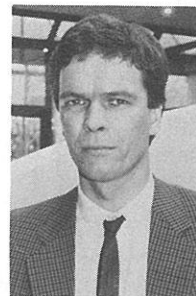
Mr. Senapathy Gopalakrishnan ("Kris") has been named Technical Director of KSA/Infosys.

Kris is a graduate of the Indian Institute of Technology in Madras and has Masters degrees in Physics and Computer Science. He is a member of the Board of Directors of Infosys Private Consultants, Ltd. of Bangalore, India, KSA's joint venture partner in KSA/Infosys.

Kris and his wife, *Sudba*, are natives of Trivandrum, India, and will live in Atlanta. In his spare time he enjoys reading, traveling, and chess.



Gopalakrishnan



Schuttpez



Integrated Functional Programming System

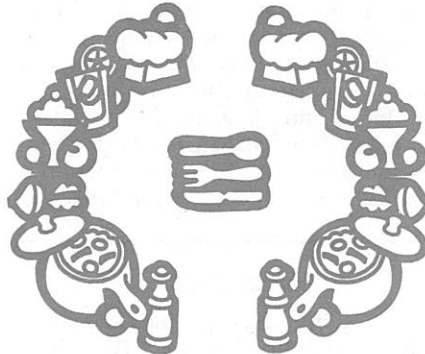
The building consulting services provided by the Facilities Group of Hamilton/KSA include functional programs for construction and renovation of hospitals and health care facilities. Each functional program includes narrative descriptions of the project and the departments included, tables of procedure volumes and staffing, and room by room listings of the spaces to be provided in each department of the facility. A functional program for a large health care project may include 200 pages of narrative and tables and 150 pages of room listings and their space requirements, and be the coordinated effort of five or six consultants. Our building consultation services also include prototype room drawings and data/equipment summary (D/ES) sheets that provide, respectively in pictures and narrative, detailed information on the furnishings, fixtures, equipment, casework, and services needed in each room.

Hamilton/KSA is developing an integrated functional programming system (IFPS) that we call "Protoplus," which will integrate the varied activities of our functional programming services. Since the system combines word processing software, spreadsheet software, CAD software, and customized software that we currently have on line for the D/ES sheets and equipment planning, we had to do considerable research on software and hardware at the start. We also had to develop operating macros and the system architecture ourselves, with a little help from a pink-haired computer salesman.

For those of you not yet familiar with Hamilton/KSA and the nature of our building consultation services, and in order to avoid too much computer-ese, I am presenting the description of our IFPS as a "banquet" that we are preparing for our clients with the following analogy:

In our IFPS "restaurant" the *diners* are our clients with varied needs and budgets from community and teaching hospitals, ambulatory facilities, clinics, and research facilities. The *waiters* are our consultants who serve our clients and advise them on appropriate selections from our menu.

Our *menu* will comprise generic programs for 80 to 100 departments ranging in complexity from warehousing to surgery. These menu selections will be in skeleton format and will be appropriately *seasoned* (tailored) by the consultants to suit the client's specific needs. Each menu item (program) will include several *courses* including narrative descriptions, tables of volumes and staffing, and spreadsheets of room listings. Each menu item will be enhanced by a *garnish* (prototype room drawings) illustrating the necessary furnishings, fixtures, equipment, casework, and services to give the client's staff a visual understanding of how each room would work and to increase their confidence in the space allotted for each room.



As a supplement to a fine meal, we will be able to provide moveable equipment budgets and construction cost indices (*dessert*) at the completion of the functional programming phase. These deliverables are built into the system and will be updated concurrently with all program updates. Another benefit of IFPS will be simplified production of gaming chips, which are scaled cutouts of each room in the project that we use in the early design phase with the client and the architect.

During the design phases, Hamilton/KSA develops and reviews D/ES sheets for each room in the project and provides equipment planning services for all of the furnishings and moveable equipment required in the project. We have provided these services for many years and will be making them an integrated part of IFPS as a sort of *after dinner entertainment*.

Meanwhile, back in the kitchen, we will be cooking from scratch. At the core of IFPS will be a roomdata file of over 1,000 *ingredients* (room types and sizes ranging from offices to operating rooms) that we can retrieve to build a new program or to modify a skeleton program to meet any of our client's needs. Each line of room information in the file will be coded for retrieval and will include the standard room nomenclature, allocated space, equipment cost, construction cost index, and gaming chip information for that room type.

The *pots and pans* for IFPS will be software packages such as Manuscript for word processing, Lotus 1-2-3 for spreadsheets, and AutoCAD for prototype drawings.

Our *utensils* for preparing the ingredients will be macros, which are strings of predetermined key strokes that are activated by a code. Each line of room information in the roomdata file will include a code that will be read by the computer to activate the appropriate macro and automate the data entry process when the room information is retrieved into a spreadsheet (functional program). To save space in the computer, we are using Metro (a software package) to store the macros.

All of our clients do not have the same budget. IFPS needs to be *seasoned* for varied needs, and not be just a canned or off-the-shelf package. At the consultant's discretion, any part of the program can be overridden to tailor the project to the client's needs and budget.

Some of the consultants are computer refuseniks and will rely on the support staff to *cook* for them. For those who get into the kitchen, IFPS will be a gourmet cook's delight.

The facility consultants are asking "Is it soup yet?" We have the computers, printers, and software in the Minneapolis office and have the macros completed. At this time we have over half of the roomdata file completed, and will begin building the skeleton programs when the file is completed. We will then be on-line with the functional programming capability and will continue the development of IFPS as time permits.





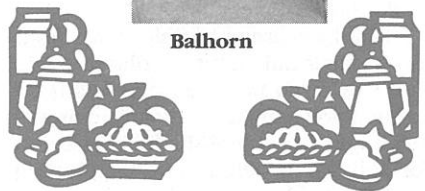
KSA goes high tech at the Bobbin Show

All of the Hamilton/KSA offices will be set up with the IFPS system except for the prototype drawing capability which will be a support function of the Minneapolis office in conjunction with the D/ES and equipment planning support. We are also planning to set up a mobile "restaurant" to move IFPS to the job-site for large projects.

Standardization of the format, nomenclature, and space allocation will improve the quality of our building consultation services. Computerization and integration of our functional programs, prototype room drawings, D/ES sheets, and equipment planning will improve our efficiency. Together, the quality and efficiency improvements of IFPS will provide a "banquet" for our clients and give us a significant marketing edge over our competition.



Balhorn



Big Doings In New York

For the first time in we don't know how long, one of our support staff, Dorothy Pease, won the New York State Lottery. No, she didn't exactly win the hefty million dollars—but Dorothy won over \$800. She had five of the required six numbers, without the help from the supplementary number.

It is especially nice that Dorothy won, since it is always Dorothy who gets the office pools together and drums up inter-communication on a lighter note. We are really happy for her—Dorothy: enjoy every penny!

—Janet Liebowitz

This year, for the first time, KSA's reception desk at the Bobbin Show held a IBM System 2 computer. The computer allowed the receptionist on duty to enter a booth visitor's name, company, and particular interest. At the end of the day, a sales lead sheet was prepared which assigned specific account execu-

tives to contacts made that day. After the show, a master list was compiled for follow-up calls and letters, and to use as a base for pre-show promotional mailings next year. The system, designed by Dianne Gunn, was a great success and will be used and expanded on in future years.

Survival Tips for Press Interviews

"Mike Wallace from 60 Minutes is in the lobby and he wants to talk to you," the receptionist said.

This start to a Monday morning is every executive's nightmare, but there are ways to master speaking and interview techniques to at least survive, if not succeed.

At a recent one-day seminar sponsored by the University of South Carolina's College of Business Administration, leaders shared some secrets and tips that newscasters and high-profile leaders in politics and industry use. CEOs and other business leaders aren't the only people who benefit from polished performances. All of us are called to lead others at some time. P.T.A. leaders, Sunday School teachers, seminar speakers, county commissioners, garden club committee leaders, etc. must develop an effective style and presence to be effective leaders.

No one in a leadership position has the luxury of being dull. Our listeners require that we offer a "Power Message" or we'll lose the audience and its respect.

What constitutes the presentation of a power message? There are three main factors: Appearance, voice, and words. Sadly, for those of us who spend our time word-smithing, only 7% of the message to our audience is words. Appearance, which includes wardrobe, facial expressions, and body language, counts for 55% of the impact of our message. Voice, which is volume, clarity, pitch, and pace is valued at 38%. Our actual words—vocabulary, sentence structure, and impact—total 7%.

reporters are ignorant or naive about the subject they are covering. The burden of education is on us, the experts. We can't reasonably expect a reporter who has just been assigned a story or topic to know as much about a subject as those of us who have spent 20 years studying it, but reporters have egos too.

A reporter will not often admit that he or she doesn't fully understand a concept. To make sure that he or she does understand, don't ask, "Do you understand?" You will create a much more open atmosphere if you ask, "Have I made myself clear?" This puts the burden of explanation on you and is less threatening to the reporter. You may follow-up by asking him or her to paraphrase what you've just discussed. You can then clarify any points.

Never do a cold telephone interview. When someone calls for an interview, ask questions to determine the subject and scope, and notify the Communications Department. Even if you don't have a communications department, write down all the questions and get as much information as you can, including the reporter's deadline, so that you can respond clearly. Call the reporter back as soon as you have the correct information. *never* say, "No comment." This response plants the seeds of suspicion. To get yourself out of a jam or if you just plain don't know, say, "I'll be glad to respond to that as soon as" and make sure you do get back to that person.

Continued on page 24

How to handle an interview

If you're employed by KSA or Hamilton/KSA, you should have the counsel of a Communications Department person before you begin this task. If you're a spouse, alumnus, or for some other reason, are winging it, the following tips may help you survive.

Remember that there are no bad questions, just bad answers. Executives are often heard to complain that



Observer Reporter Saves Manuscript for Posterity!

Dateline: Manchester

Prior to our recent UK staff conference someone had the idea that it would be a good thing if members of the company formed soccer teams to compete in a six-a-side competition. A Certain Gentleman decided that it was a terrific idea and immediately volunteered all the members of his department.

So confident was he of eventual victory, that he prepared a review of his team in advance. Sadly, it transpired that not only did his team fail to win the tournament, it even failed to compete. The completed review was, in fact, thrown away, but our intrepid Observer art correspondent (U.K. branch) managed to rescue the manuscript from oblivion.

The official reason for the team's nonappearance was "a conflict between the evaporative time for prerequisite trichological procedures and the opportunity window created between the termination of the callaesthetic activity and the commencement of the preprandial divertissement." This is known as the ACBTETFPPTATPWCBTTOFTAATCOTPD effect for short.

Another rather curious fact that emerged from all this was that most people in KSA did not even realize that this Certain Gentleman even had enough people in his department to raise a soccer team. It seems that the growth of this part of our business had escaped many peoples' attention, so that it was felt an appropriate gesture to feature the CG's review of his team in spite of their lack of sporting achievement.

Unfortunately, the recovered manuscript appears to be missing the last page which, we believe, featured the player/manager of the team. In true team spirit, the other members of the department have done their best to make good the deficiency.

Here then is the team review, just as it was discovered among the tea-bags:

The KSoft Krackers

Liz "The Rock" Wilson Transferred from: The Geography team at Aberystwyth

Position: Striker/trainer

Liz has been with us for nearly six years now, during which time she has demonstrated an ability to play in virtually any position. We put this down to her geographic background, which has given her a great sense of direction, but in spite of this she remains the only team member who does not know what Ulan Bator is capital of. Liz's nickname reflects her ability to lure the opposition



defense into the belief that they can steamroller her attacks, only to discover that she is a true immovable object when it comes to achieving her goals. Like all good all-rounders, Liz doubles up as team trainer, and can be found at all significant away matches with ample supplies of aspirin, bandages, kleenex and throat pastilles to keep our players in A-1 condition.

Jenny "Rocket Fuel" Dearnaley

Transferred from: The Mathematics team at Lancaster

Position: Keeper

Jenny has played on our team now for four years, and has developed an enviable reputation for having safe hands, rarely letting anything by her that would allow points to the opposition. Our USA cousins might assume from Jenny's nickname that she has NASA connections. This is, in fact, not correct as Jenny actually comes from Stockport. Her true talent is in making very drinkable alcoholic concoctions from virtually any raw material. Jenny has also special-

ized in a subsidiary disabling tactic which has received the highest praise for subtlety. She leaves the seat of the pool car so far forward that when opposition team members get into it, they can neither get out again, nor reach the seat adjuster. A leading player, *John "Hopalong" Beddows* recently drove from Manchester to Stockton looking at the road ahead between his knees, and we believe this was a major factor for his poor showing in the recent inter-KSA tourney.

Baljit "Twinkletoes" Athwal

Transferred from: Electronics and Electrical Engineering team in Loughborough

Position: Midfield

Baljit has earned her nickname from her occasional habit of playing "ala Budd" with no boots on. She has been on the KSoft team since the beginning of 1987, and has established a reputation for solidity in defense, with lightning sorties into the opposition when they least expect it.

Steve "The Fridge" Scott

Transferred from: The Math and Biology team in Chester

Position: Defender

Steve has been with us for two years now. His patronymic is due not so much for his ability to block the opposition, but rather to his success in organizing an away game with a Norwegian team in the coldest winter in 100 years, and arriving there without his kit. Steve recently demonstrated his commitment to the KSoft team by getting both chicken pox and jaundice, thus turning himself into contrasting shades of grey and yellow, our team colors.



Rebecca "Hollow Legs" Newton

Transferred from: The Computer Science team at Portsmouth

Position: Left Wing

Rebecca joined the KSoft team in 1986. Her strength on the left wing will be especially valuable when we are playing our away tournament in the Soviet Union. Rebecca is known as "Hollow Legs" in recognition of her amazing capacity to combine a trencherman's appetite at post match celebrations with the ability to circumvent the need for X-rays by standing in front of a strong light.

Steve "Killer" Humphries

Transferred from: The KSA operations team, and formerly from the Psychology team at Hull

Position: Striker

A useful man to have on your side, Steve recently demonstrated his prowess in taking out the opposition at a recent "friendly" match by crippling all UK team members with ranks of Vice President and above. The fact that he managed to achieve this directly under the eyes of referee *Stig* "I've got the whistle" *Kry* without getting sent off is confirmation of his skill. When asked for his thoughts on his transfer to the KSoft team, Steve said "I'm looking forward to playing in the first division, Brian." The recent newspaper report that only men called Steve can play in the KSoft team are dismissed as rubbish by Steve who was formerly known as Bert Entwistle of Oldham.



Fiona "Lenin" Cameron

Transferred from: Scottish Textiles at Galashiels

Position: Striker

Fiona has recently transferred from the Scottish league, where she developed her skills in tactics and dribbling. Currently the only team member able to give team talks in Russian, we are looking forward to her contribution in 1988.

Marjorie "J. Edgar" Davies

Transferred from: KSA Stamford New Road premises

Position: Sweeper

The most mature member of the team, Marjorie does her best to keep our team tactics clean and effec-



tive. She, in fact, turns out for all the Craig Court teams, but claims that the KSoft team is the one that really utilizes her most. Whilst occasionally showing some exasperation with some of the younger players who she believes play in a rather untidy fashion, she nevertheless makes a valuable contribution to the side.

Miquel "The Monk" Gomez

Transferred from: Miquel is on temporary transfer from the Spanish team Barcelona

Position: Midfield

Miquel is a player of considerable depth of experience, which he brings to bear in all the matches. We reluctantly have to release him to play for his national team quite often now as he is establishing a fine reputation there too. He earns his nickname, we believe, from his claim to be a "brother" to all the unmarked female players that he tackles. The manager thinks that this is "a load of old Iberian dingo kidneys" but he is probably only envious.

Stevie "Wonder" Webb

Transferred from: The Aeronautics team in Southampton

Position: Player/Manager

Stevie founded the KSoft team back in 1978. He manages the team with a rod of iron, insisting on a rigid team style, yet still maintaining his own individualism. His distinct style was demonstrated very graphically at the last conference when he appeared on the field in a vivid red and white stripe.

Stevie's dedication to the team is second to none. When he was confined to the hospital he arranged team coaching on the hospital ward and was back on the field within hours of the operation on his knee.

He also maintains a

strict diet to preserve his svelte figure. Steve's nickname reflects his playing abilities and his tricks on the field provide a constant source of amazement. His odd southpaw style often confuses the opposition and at times even his fellow team members.

Steve denies allegations of bias in his selection of team members and maintains that he always signs up the best women for the job. Steve's recruiting methods leave no holds barred and he has even been known to promise trips to exotic foreign climes. However, *Kevin Keegan* declined the offer on discovering that Steve meant a three month transfer to the Tallin Tigers in the Soviet Union.

Sympathy
It is with sadness that we inform you of the following deaths:
Doug Rogers' mother, November 19.
Joe Irastorza's mother, November 29.
Jim Kirby's father, November 30.
Melissa Schwitters' father, December 16.
KSA extends sincere sympathy to the families.

A Visit With Abbie Jean

For those of you not privileged to know her, *Abbie Jean Quick* was KSA's personnel director between 1944 and 1975.

One Friday early in October the *Voughts* and *Ullmans* visited Abbie Jean Quick in her lovely Hartford home. Later they enjoyed a delightful dinner in a splendid new restaurant where KDV's son-in-law is head chef.

They report that Abbie Jean is doing well, that she asked about many KSAers and sent her good wishes to all.



L to R: Susan Vought, Jack & Evelyn Ullman, Abbie Jean, Dean Vought

Reflections on Being Hamilton/KSA's First Administrative Resident

As I was nearing the completion of the didactic portion of my graduate studies in health care administration at Trinity University in San Antonio, Texas, a decision confronted me. Where should I complete my administrative residency? A number of options were available, mainly in hospitals, which would have provided excellent training opportunities in preparation of a career in hospital administration. This is the path on which the majority of students follow. However, a certain medium-sized hospital-and-health-care consulting firm, Hamilton Associates, intrigued me.

First of all, two definitions are probably in order, so let me digress for a moment. An *administrative residency* is an educational requirement necessary for graduation from Trinity University. It is a one year process, whereby students spend time in a hospital or health-care-related setting to observe, learn, and evaluate the operation of an institution. Upon completion of that year, along with meeting

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How many other hospitals/firms could boast of an opportunity to learn directly from the president? ”

other requirements, the student is eligible for graduation. A *preceptor* is an administrator or manager who agrees to take full responsibility for the student during their residency.

John Sweetland, then a Texan, attended an interview session for preceptors interested in evaluating prospective administrative residents. He convinced me of the possible merits of consulting, and through an additional set of interviews in Dallas with the other consultants, I became convinced this was the direction to go. After all, how many other hospitals/firms could boast of an opportunity to learn directly from the president of a firm along with additional consultants who were experts in the health care field!

To make a long story short, my residency with Hamilton Associates (and eventually Hamilton/KSA) provided an outstanding educational

experience and afforded a chance to observe unique events, as well as participate in a variety of consulting engagements. The highlights of my residency, as I can recall, would consist of the following: a) rotating through the departments for one month at Methodist Medical Center, Dallas, Texas; b) training in facility planning; c) training in strategic planning; d) observing the merger between Hamilton Associates and Kurt Salmon Associates. On the surface, this agenda

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I was able to observe, learn and evaluate from people and circumstances which would be hard to duplicate. ”

might appear only ordinary, but consider some of the players involved:

While rotating through the departments at Methodist Medical Center, I had some lengthy discussions with David Hitt, formerly CEO of Baylor University Medical Center in Dallas, an alumni of Hamilton Associates, and presently the CEO of Methodist Hospitals in Dallas. He is considered one of the leading thinkers in the field of health care administration. My facility planning training was under the tutelage of *John Sweetland, Jim Jirousek, and Javier Iruegas*. I was fortunate to have substantial involvement in a strategic planning project with *Barry Moore and Jim Roeder*. I was able to partially observe, from John Sweetland's perspective, the merger of two leading consulting firms into one of the largest health care consulting practices in the nation. As you can see, I was able to observe, learn, and evaluate from people and circumstances which would be hard to duplicate.

The opportunities and challenges haven't changed much since I've become a consultant with Hamilton/KSA. The likelihood of other administrative residents, fellows, trainees, or even new consultants being able to enjoy such positive experiences, as I did, is exciting. I encourage the firm as a whole, if feasible, to participate in educational programs and offer other students similar opportunities.

—by Brett Turner

Lilah Mangen to Retire

Retiring from the Minneapolis office of Hamilton/KSA on December 31 is our senior executive secretary, Lilah Manger.

Lilah was hired as secretary by Jim Hamilton on April 4, 1961. She subsequently has served as an executive secretary under four office CEO's—*Jim Stephan, Jerry Bieter, John Sweetland, and Dave Damberg*. During these 26 years, Lilah has performed the full range of support staff duties, including secretarial, reception, telephone, filing, word processing, and administrative assistant. Noteworthy has been her responsibility for finished proposal packages to prospective clients and for the relationship with the University of Minnesota Program in Hospital and Health Care Administration that include arrangements for the annual dinner with each new student class. The quality of her work has been consistently exemplary, as has been her interest in the company over these many years and the extra time and effort she has given to it.

Lilah will continue to live in the Minneapolis home she shares with her two retired sisters. On December 12, she was honored by the Minneapolis office personnel at the Christmas party. When retired, we trust she will visit our offices occasionally and maintain her title as "noon break double solitaire champ."

— Bruce Miller



Lilah Mangen

Computer-Aided Design: Much More Than Mechanized Drafting

Three years ago, when we purchased our computer-aided design system in Atlanta, no one predicted all the ways we would use it. *Ike Myers* and *Mahesh Lad* have increased productivity in design and drafting dramatically through their understanding of CAD, but, more importantly, have made it possible to easily prepare outputs that *effectively* communicate concepts and results that would be difficult, if not impossible, to communicate otherwise. We still use this capability heavily in our facility design work, but we have also begun to use CAD for Logistics Strategy services.

Recently we completed a series of studies that began in 1983 to help Carhartt, Inc. develop an improved distribution network. Figure 1 is a diagram of the network that Carhartt has selected to use. While all projects of this type are challenging, and Carhartt was no exception, they also tend to be rather dry in content. The work tends to involve quite a lot of modelling and simulation, that generally results in complex, and often unexciting, outputs. Carhartt was definitely an exception in this area.

In logistics projects, like Carhartt's, the client asks the question, "What type of distribution facilities do I need? How many?," and "Where should they be?" For a large company, determining the answers may involve analyzing an incredible number of possibilities. A large part of our job is narrowing those possibilities, while demonstrating a logical process for developing the alternatives we offer. This is the area where we have begun to use CAD.

Computer-aided design is much more than just mechanized drafting. The CAD system is a fully capable computer that is specially adapted for high quality graphical output. In the past we have done most of our logistics modelling numerically with tools developed on either Lotus 1-2-3 for the IBM-PC, or Excel for the Macintosh. The numerical models considered such things as transportation costs, service times, and indirectly, inventories. Mahesh has been able to convert portions of these models to run on the CAD system. In doing so we have gained the ability to include

other important cost factors in the analyses, like labor, and capital, that for a variety of reasons could not be easily included in the PC models.

Figure 2 is an example of the type of output that we can get from these CAD models. This particular drawing shows what transportation costs would be for a range of locations for their distribution center. The surface suspended over the map shows by its height and shading the cost for any location directly beneath it (outlined by the rectangle on the map). The surface has been "flipped" upside-down to allow the low-

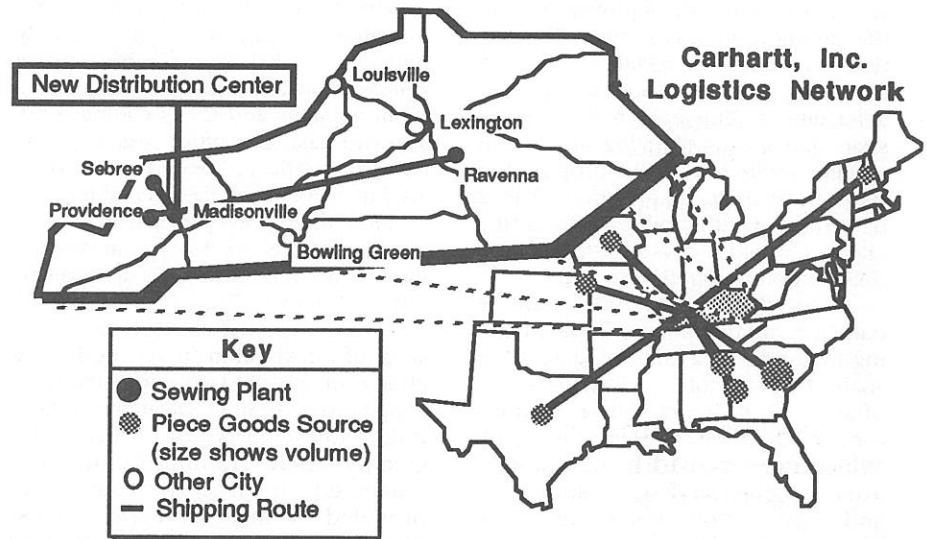


Fig. 1

est cost location (the white dot in the middle of the surface) to be more easily seen in this perspective view.

This image is much easier to understand than tables of numbers would be. It also carries much more information. While Carhartt's costs vary in a fairly simple way, this is not always true. In other situations, the surface might show a range of minimum cost locations from which to choose. When this drawing is displayed in color it becomes very easy to see the impact of choosing a location that is not the lowest cost point, without resorting to endless numerical evaluations.

In addition to enhancing these models, Mahesh is working on such things as animation techniques which will allow us to "demonstrate" a design concept, or the operations of an entire distribution center, to the client before he commits money to it. All of these things help to enhance the value of KSA's services and to keep us at the leading edge of our industry.

—Bob Mann

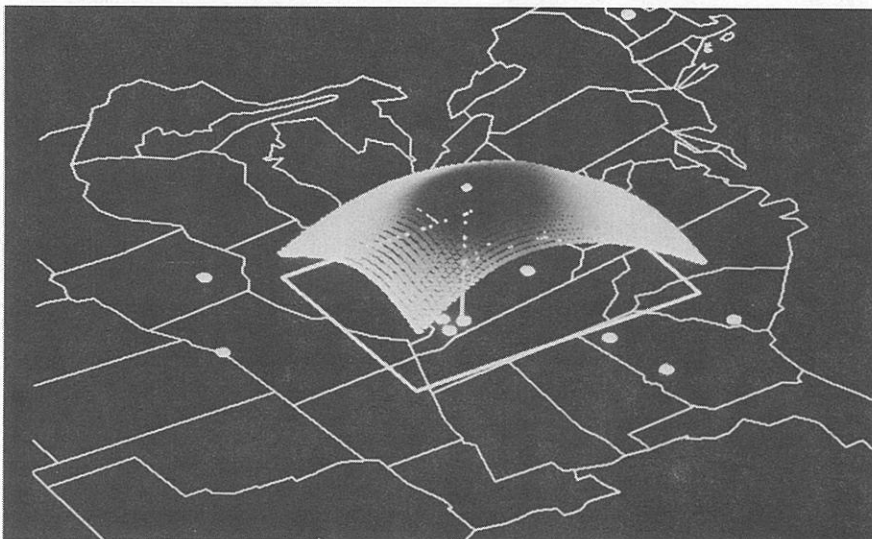


Fig. 2

Modular Manufacturing

Three months ago, *Mike Brent* told me I would be staffing a new kind of operations project. The Joseph & Feiss Co. (TJFC), the oldest clothing manufacturer in the United States, had asked KSA to reduce the through-put time in their manufacturing cycle. KSA's answer: Just-In-Time (JIT) work methods in the cutting room.

I spent two days in Atlanta digesting several pounds of JIT literature, and getting used to the idea of going to my new assignment in Cleveland, Ohio.

During my first week at TJFC I realized why the through-put time in the cutting room was so high. The cutting room occupies 63,000 square feet over three separate floors and part of a basement. The notion that empty space has a way of filling up was an evident reality here. Mike proposed to reduce the cycle time from 14.5 to 2 days starting with 2 pilot modules (the client was told 6 days and had a hard time accepting *that* figure).

Each pilot module contains all the cutting room operations, from spreading to layup (separating by color after soabar) and handles a different range of styles. The first module is manned for a medium-ply Gerber cutter with 10 operators. It is designed to process a mix of plain and stripe sportcoats and suits for both men's and ladies' divisions. Loading the proper daily mix is critical. The second module is composed of all manual operations, consists of 8 operators, and is designed for plaid suits and sportcoats.

To limit the cycle time, the layout design of each module contains enough Kan-Ban Squares (Japanese buzz word for WIP space) for an hour of work between operations. The operators are asked to focus on "pulling" the work through and are given the responsibility of internally balancing the work load. Each module is assigned a production board that tracks daily efficiencies and a weekly through-put time.

The module's output is measured by completed units only. Coupons are turned in after the last unit of a job is through the lay-up operation. Operators put the earned SAH every two hours on their production board to be compared against a target.

The engineering rate system developed for the modules is sharply different from the traditional multi-variable

rate found in cutting rooms. The objective was to arrive at "simple" rates. Instead of multi-variables, the cutting standards were reduced to 3 variables: per cut, per unit, and per cut-color. In addition, rates were developed for product groups rather than individual styles (i.e. one rate for *all* men's plaid suits). Arriving at these "simple" rates was complicated. The task is usually aggravated by the fact that cutting rates are poorly documented and for the most part . . . loose! However, given enough time it can be done. Under normal circumstances it could take KSA around 18 months to review cutting rates for all operations. Eighteen months? We only had six weeks! That's when *Carol Chestnutt* and I turned to old cutting room manuals and KSA's cutting room standard data. Our office began to look like a mini-Atlanta library full of manuals, but we obtained the needed rates.

More than a new physical layout and "simple" rates is necessary to implement the JIT manufacturing. In a "typical" environment, trying to introduce JIT concepts is a major culture change just short of a revolution (if you notice my choice of words, you might realize I happen to be from El Salvador). To help this cultural transaction, an L.E.T./Quality Circle Training Course was scheduled for TJFC. The course was provided for three different groups: managers, supervisors, and module operators. Each group took the training sessions independently.

During the L.E.T. training, each group expressed doubts about working with a team approach; however, training was replaced by an open-minded attitude after a session on problem solving through quality circles.

The last major task was to develop a compensation plan in sync with JIT principles and adapted for the specific situation. The major objectives sought were to provide a reward for high productivity and low through-put time; to measure group productivity, rather than individual performance; to recognize various skill levels; and to reduce earnings variations.

The result was a combination of previously established concepts and a few new ones. The "Merit System" (term soon to become a new buzz word?), as *Mike Brent* calls it, is essentially a 70/30 split incentive. Because at TJFC average earnings vary greatly within each skill level, the fixed part of the total individuals' pay is calculated as 70% of his or her average earnings. The remaining 30% is the merit part calculated on the operation's base rate and dependent upon the group's efficiency.

In addition to the split-incentive, two new elements were incorporated into the Merit System to stabilize earning variations. The first is the establishment of a fixed rate of pay for performance within a band or window. Each window constitutes a 5% range in efficiency (i.e. window level 8 relates to a group efficiency between 100% and 105%). The



The "A-team," one of the two pilot module groups.

—Just In Time For The Clothing Industry

second characteristic states that when a team moves to a new window level, the team will receive that rate of pay for a guaranteed minimum of four weeks.

Twelve weeks after "M-Day" (Module-day or the beginning of the project), team efficiencies range between 60% and 80%, and the cycle time is down to 2 and 3 days for the pilot Gerber and plaid modules respectively. Quality circles are established for each team, and their major challenge now is to selectively crosstrain members to improve the flexibility of the group.

As far as KSA is concerned, a new service has been born for the domestic operation's practice. So to all you new operations consultants: "Welcome to KSA, you are Just-In-Time!"

— Enrique Yaffar

Greg Murphy Named VP of Palm Beach Company

Greg Murphy, KSA's AAMT guru, has joined the Palm Beach Company, Knoxville, Tennessee, as Vice President of Human Resources/Productivity Improvement. His mission is to establish AAMT and other training programs in all Palm Beach plants.

During his 22-year career at KSA, Greg probably had as much or more direct contact with client personnel as anyone in the Firm. He taught the skills of Advanced Analytical Methods of Training to thousands of sewing operators and supervisors.

Recruited from the campus of Georgia Tech, Greg became part of KSA's fledgling AAMT (Advanced Analytical Method of Training) practice. He helped author and implement operator training programs throughout the U.S. He was based in Birmingham, and then settled in Atlanta.

As a full-service Human Resources Development consultant, Greg established personnel policies and procedures in client plants, conducted attitude surveys and site location studies, and taught AAMT.

When KSA and Control Data crafted the first joint venture to develop training programs using PLATO®, Greg helped author the Apparel Supervisor Training course. Last year he began developing the AAMT computer-based training program which provides KSA with state-of-the-art training concepts and tools.

Greg has successfully implemented training programs for bicycle manufac-



The Gerber Module (who nicknamed themselves "cutter rats"). To the right is a productionboard on which they post SAH's completed every 2 hours.

Geoff Gibson joins Gitano as VP of Manufacturing

A bachelor of arts degree from Vanderbilt University, as well as a degree from the School of Hard Knocks (four years as a defensive tackle for the Vanderbilt Commodores) prepared Geoff for the think-on-your-feet environment of consulting.

Shortly after joining the Firm in 1974, Geoff shared a secret that instantly made him a worldwide traveler; he had an ear and enviable talent for lan-

guages. After his orientation period, and a few Berlitz lessons, Geoff hit the ground running. He was the logical choice to staff and later supervise numerous assignments in South America, Central America and the Caribbean. Making the most of his Caribbean assignments, Geoff actively pursued his interests in wind surfing and sailing. He's an avid tennis player as well.

To illustrate Geoff's versatility, he staffed and supervised major projects in both the apparel and footwear industries and switched from English to Spanish to Portuguese, as required.

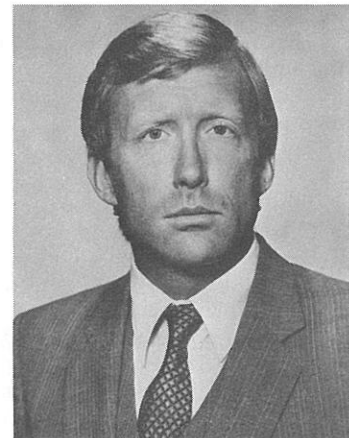
Geoff's new responsibilities require him to continue traveling to plants throughout Central America and the Caribbean. Although he is based in New Jersey, Geoff and his wife, *Celia*, will still make their home in Atlanta with two sons, *Jonathan* and *Jay*.



Murphy

urers, apparel and textile firms, and in the mining industry. His work has taken him around the world with projects in the U.S., Caribbean, Far East, and Canada.

A less publicized side of Greg is his creativity. He enjoyed making clever client presentations, and he fattened the art files with cartoon clips and funny photos for other consultant's presentations as well as his own. Greg is now headquartered in Knoxville, Tennessee.



Gibson

Recruiting from the Other Side of the Table

January 1987 — On campus

Kurt Salmon Associates. I wonder how to pronounce it. Well, they can't expect me to get it right the first time, can they? Maybe this will be like all the other interviews . . . "Hello, I'm Freddie Wood," said the relaxed Southern gentleman shaking my hand. *Relaxed, except for his gray/blue eyes, that is. Friendly, but deliberately holding my attention far longer than I am accustomed to.*

Well, here we go again, 30 minutes to convince . . . what was it again . . . ah yes, Mr. Wood that I'm just the guy he can't live without. I might even get the chance to to find out something about — my thought was interrupted — "Jack, I really don't want to talk about your official background. What we really need to accomplish is to get to know who you are, and what makes you tick", his eyes flashing over the top of his horn rimmed glasses. "That's what is really important. Now what do you want me to know about you?" . . . *I believe him. Freddie really wants to get to know what's behind the past seven years, not just what is on the paper. We've just spent the last 25 minutes taking about anything but business. Maybe these guys are all right . . .*

February 1987—Lobby, Empire State Building

Well, it's over. Here I am, leaving KSA's New York office. Did the outside of the wheel move farther than the sprocket? Should the rats be weighed once a day or once a week? Who cares? I do! Anyway, the people I spoke with seemed like the kind of folks I could work with. I even heard them laughing in the conference room.

March 1987 — Campus apartments — Winter finals week

"Sure Mr. Brown, I can stop by on my way home for spring break. See you Friday." I hung up the phone.

Friday — New York

"Jack, interviews are running a little longer than expected. I understand you're staying in Connecticut with friends. Why don't you catch the train with Peter?" she suggested. "Alright by me" . . . *Oh Great! I have to interview with the Regional Manager on the train to the suburbs. I wonder how he'll like wandering through Manhattan with a guy carrying skis, ski boots and*

a stuffed animal. I knew something like this would happen.

April 1987 — Back at school

"Mom, I accepted the offer with KSA today. You know, the management consulting firm in New York . . . Why KSA? Because I got the same answers from everybody I talked with. They told me they wanted me to come in with my eyes open. They're sharp people who don't have to prove it to you. Yes Mom, I'll be in the big city. And Dad, people do smile in New York.

It might seem like all firms conduct their interviewing in such a straightforward manner. Not so. KSA was only one of two firms where I felt comfortable that what people were telling me was, in fact, the truth. Just a note to say thanks, and I'm glad to be aboard.

— J.R. Shelburne
new hire, summer '87

KSA/NPD Purchase Panel Passes \$1 Million in Annual Sales!

- How does Levi Strauss track its brand share by market segment?
- How does Lands' End monitor purchases of its competitors' products?
- How did Fruit of the Loom identify growth sectors for imprinted apparel?
- How did Chaus discover who its true customers were (and how they differ from Liz Claiborne's)?

They all used the KSA/NPD Purchase Panel—a joint venture between the NPD Group and Kurt Salmon Associates. With the recent signing of Coca Cola, sales will exceed \$1 million for calendar 1987. This represents a 150% growth since the joint venture began in mid-1985.

The Panel consists of 19,500 households that record in detail their purchases of apparel, home furnishings and soft goods as well as a wide range of other packaged goods. Individual diaries are returned monthly by panelists and the details of each purchase transaction, along with the demographic and psychographic characteristics of each purchaser, are entered into the database.

The NPD Group handles the mailing of diaries as well as data collection, entry and storage issues. KSA personnel—Kathleen Mercer, Nancy Greeley, and Richard Hirsch—are responsible for the analysis and interpretation of the data which leads to more profitable decision-

Life's Tough in the East



In an effort to spread the KSA story, Doug Rogers and Chuck Gilreath managed to attend a reception for the Miss Universe contestants in Singapore this past summer. That's Miss Guatemala on the left and Miss Malta on the right, flanked by two consultants whose faces tell the entire story.

Yes, it's a tough job, but someone has to do it.

making by our clients.

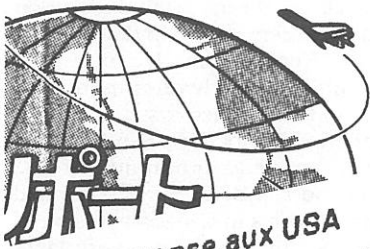
Clients utilize this database to obtain answers to a broad range of fundamental questions important to their marketing strategies:

- Who is the purchaser of their product?
- What is the brand loyalty of their customer?
- What other brands compete with them for their customer?
- How are the distribution channels for the product changing and what are the implications of these changes?
- How are they performing in each of their sales regions relative to the potential market?
- How are they performing relative to competition and in their key accounts?

All of these issues are readily addressed through the Panel analysis. On-line access to this database in the New York office allows us to provide "Quick Response" to our clients. The availability of purchase data completes the circle of KSA services from garment design to final purchase by the consumer.

Needless to say, consumer purchase information can affect the work being performed by other KSA consultants for the same client, and helps round out KSA's integrated services for that company. It's available; all you have to do is contact us to discuss the needs of your client.

Continued on page 24



Quick Response aux USA

M. Osborne, vice-président de Kurt Salmon exposa le principe du système de réponse rapide proposé aux USA comme défense contre les importations et basé sur l'établissement d'un flux d'informations remontant du détail à la production. Des applications précises ont donné des résultats spectaculaires tant par l'augmentation des ventes au détail que par la rotation des stocks dans la chaîne. Le système s'appuie sur une concertation préalable entre partenaires et sur des moyens télématiques appropriés.

M. Osborne ne cache pas que la généralisation de ce système nécessite une profonde adaptation en fabrication qui doit raisonner en terme d'aval et non de volume de production. L'enjeu est basé sur un marché final de 100 milliards de dollars. L'évaluation de Kurt Salmon sur l'ensemble des coûts des stockages, des soldes, et des ventes manquées s'élève à 25 milliards de dollars dont la moitié pourrait être économisée.

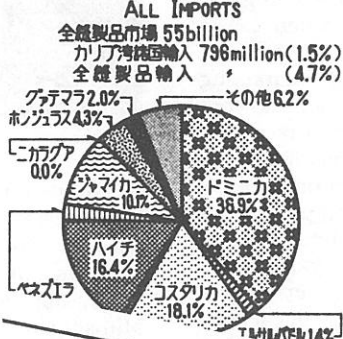
クルト・ソロン・マンシエ社長のド・ブーイーン・サウト取締役副社長は「この三
年、韓国、香港などの繊維企業はカリブ諸国に投資を増強して「
」と云ふ。これに対して、米
企業は間接投資を通じて、直接ケ
ースは少なく、日本企業同様に生
活水準、文化水準の差が大きく、
適応性が少なくなるとみている。
なかでも、極東諸国はクオータ
制、関税税による対米輸出の締め
つけが年々強
なる点で「カリ
ブ諸国への
投資意欲はアン
レッシュ」だ
という（サウト氏）。



ヴォウト副社長

クルト・ソロン・マンシエ社は「カーブ」プログラム
の繊維・縫製生産力開拓に重要な役割を演じている。これは
タンクとして米国の紡績・縫製・小売業のために競争的
を園の、ますます発展している。この間、最近、極東諸
締めつけを背景に、カリブ諸国への会社支店による海外
気象を注視してゆく。

86年米国のカリブ諸国輸入



200 miliardi) l'export è sceso del 15%
10 perde qualche filo

... italiana
... semestri tre mesi, il
... quantità (-2,6% con 77.309
... (+1,5% a 2.819,6 miliardi). Però,
... se calcolato a prezzi reali, depurati dall'infla-
... zione, anche il tenue attivo si trasforma in
... passivo.

Per contro le importazioni italiane del
primo semestre sono aumentate in misura
considerabile: +56,7% in quantità (17.934
tonnellate) e +26,1% in valore (370 miliar-
di). Ma a preoccupare gli imprenditori del
settore è soprattutto il mutamento del rap-
porto tra import ed export che, in quantità,
nell'83 era di uno a dieci, mentre oggi è
sceso a uno a quattro.

Tra i mercati esteri più generosi con il
made in Italy, quello statunitense, pur collo-
candosi al terzo posto dopo Germania e
Francia, è stato quello che negli ultimi anni è
aumentato in misura maggiore. Dollaro in
salita e depressione dei mercati europei
hanno fatto crescere in maniera costante
l'export verso gli USA di pullover: nell'82 i
capi italiani rappresentavano solo il 2,8%
delle importazioni americane, mentre nell'86
sono saliti all'11%.

Gli ultimi mesi dello scorso anno e i primi
dell'87 hanno però fatto registrare un'inver-

sione di tendenza. Da gennaio a giugno gli
Stati Uniti hanno importato dall'Italia maglio-
ni e pullover per 116,2 miliardi di lire, il 15%
in meno rispetto allo stesso periodo dell'86.
Per capire l'evoluzione della domanda nel
Nord America, l'Associazione Magliacalze
ha commissionato all'Associazione
... ricerca sulle «Opportunità offerte
dal mercato USA alla maglieria italiana».

I ricercatori hanno utilizzato come campio-
na una quindicina di pullover di media quali-
tà con un prezzo all'ingrosso tra le 40 e le 50
migliaia lire, che si trasforma per il consumatore
statunitense, in un listino variabile tra gli 80 e
i 100 dollari.

Prima considerazione: le dimensioni del
mercato. Nell'86 gli americani hanno acqui-
stato 383 milioni di pullover e maglioni (con
maniche e senza) con una spesa di 3.282
milioni di dollari (4.200 miliardi di lire), dei
quali 2.556 per i soli capi femminili. La
debolezza dell'industria USA e l'aggressività
dei concorrenti stranieri hanno determinato
la continua crescita delle importazioni, salite
dai 793 milioni di dollari dell'82 a 1.628,5
dell'86. Il 60% dei pullover acquistati negli
Stati Uniti è prodotto all'estero.

La qualità dei prodotti venduti nei grandi
magazzini e nei negozi americani, se para-
gonata allo standard italiano, è certamente
più bassa. Il 90% delle vendite è rappresen-
tato da capi che costano meno di 40 dollari

(circa 50mila lire) e sono confezionati con
fibre acriliche.

Se invece si considera il mercato dei capi
con un prezzo superiore agli 80 dollari (oltre
100mila lire), la qualità migliora: il 44% sono
pullover di lana, il 21% di cotone e solo il
25% di fibre sintetiche. In questo segmento,
mercato americano, le importazioni «copro-
no» il 78,7% delle vendite.

Ed è proprio in questa nicchia di capi con
un costo superiore agli 80 dollari che trova
spazio il made in Italy. Le conclusioni della
ricerca indicano infatti che le fasce dei
prodotti a basso costo sono state conquista-
te dai produttori del Sud-Est asiatico.

Per mantenere la leadership nel segmen-
to più alto del mercato, i produttori italiani
devono porsi tre obiettivi: qualità, prezzo e
puntualità. Secondo Magliacalze sui prezzi
non ci sono più molti margini di manovra (a
meno che il dollaro non riprenda a salire),
quindi tutti gli sforzi devono essere indirizzati
verso la qualità e la puntualità delle con-
segne.

Per questi ultimi motivi, potrebbero essere
favore le aziende che si doteranno di strut-
ture fisse negli Stati Uniti per commercializ-
zare direttamente i loro prodotti ed instaura-
re un rapporto non saltuario con il cliente
finale, protezionismo permettendo.

Renato Gentilini

New Principals

Lee Griffith

Lee started his career at KSA in July of 1981 after earning a degree in mathematics at the University of Michigan and a masters in Operations Research at Georgia Tech. Lee has, from the outset, been assigned to the Information Systems function where he has made important contributions to forecasting, planning and inventory control projects.

An early implementation assignment required a crash course in Spanish, followed by a multimonth on-site engagement in Columbia, South America. Lee played a key role in the design, programming, installation, and marketing of advanced forecasting systems in conjunction with the Bidermann merchandise control system. He has helped to advance the state-of-the-art on forecasting and inventory modeling projects for clients in home textiles, shoes, fashion apparel and mail order. In addition to a series of outstanding project accomplishments, Lee is playing an increasingly significant role in project management and business development in Information Systems.

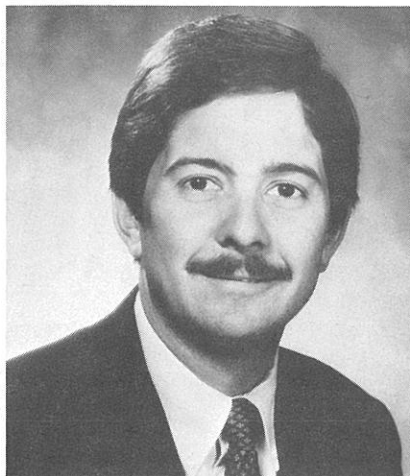
Lee is based in our Princeton Office. Lee, Karla and year-old Lindsay make their home in Yardley, Pennsylvania, which serves as a base for their extensive competitive sailing program.

Chuck Harris



Harris

Chuck Harris's operations experience base spans from textiles to fur tanning to bakeries to apparel. He has spearheaded the application of PC's in the analytical portion of our textile operations practices, and along the way earned the confidence of clients as evidenced by the number of requests for him to



Griffith

return on retainers or additional projects. In keeping with our geographic base, he's worked in the U.S., Egypt, U.K., Guatemala and Canada.

Among his many satisfied clients are Munsingwear, Kates Corp., Miranda-Labrecque, Harvey Woods and Dupont. In recent months he has developed and sold five projects at Jacques de Loux, Textile Dionne, Golding Industries and Mirafir.

Chuck and Judy reside in Marietta, Georgia where Judy is pursuing her career in the travel agency business.

Linda Ortwein



Ortwein

Linda Ortwein has been an integral part of KSA's Strategy practice working from the New York office base. She has displayed a consistently high level of enthusiasm and initiative in pursuing a wide variety of consulting engagements. She has worked with some of the largest firms in KSA's markets and

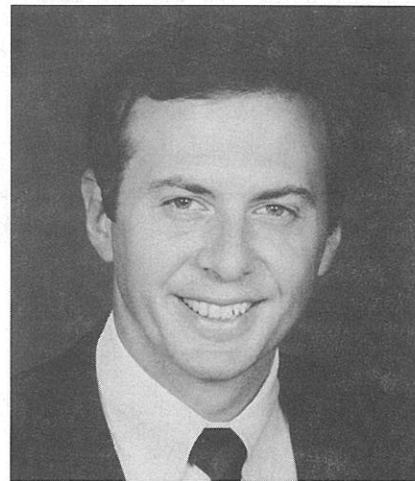
Steve Watts

Steve joined KSA in our distribution practice and after honing his microcomputer skills on several retail distribution projects, transferred to help develop our Factory Microsystem. He now has responsibility for development and delivery of factory microsystems.

While in distribution, Steve participated in major assignments for J.L. Hudson and L.L. Bean. He has installed ten microsystems in Canada and several in the U.S., among them a very large project for Arrow/Alatex.

Steve's business development skills were demonstrated through a better than 50% sales record on proposals this past year. In addition to client demonstrations, Steve has participated in seminars at Clemson and North Carolina State.

Nancy and Steve live in Atlanta and the family involvement with computers is further extended by Nancy's position as Manager of Product Engineering for Hayes Microcomputer Products.



Watts

has provided assistance to numerous small entrepreneurial operations. Her consulting activities have involved her in most of KSA's market sectors, including Personal Consumer Products, Home Consumer Products, Textiles and Retailing. Linda has repeatedly exhibited a strong rapport with client personnel and moved organizations to action-oriented consensus on important issues.

Linda has made specific contributions in her development of international marketing services.

Linda and her husband Tom reside in New York City where they pursue an active lifestyle involving sports and the arts.

Anne Robison

Anne has contributed significantly to the success of Hamilton/KSA. She has consistently demonstrated an ability to achieve client objectives on projects. Repeat engagements at East Alabama Medical Center in Opelika, Alabama, Parkview Hospital in Fort Wayne, Indiana and Highpoint Regional Hospital in Highpoint, North Carolina attest to the effectiveness of her efforts and the high regard in which she is held by her clients. Her expertise in strategic planning, training and operations improvement consulting permit her to broadly perceive client problems and utilize numerous skills in solving their problems. Anne is particularly effective in bringing together teams of Hamilton/KSA consultants and client personnel to implement meaningful results.

In addition, Anne has identified opportunities for and then actively participated in presentations to seven major outside groups including the American Congress of Healthcare Executives. In addition to her successful sales of follow-on engagements to present clients, she has played a leadership role in several new business development efforts.

Anne and her husband *Gerald* have three sons.

Jim Severyn



Severyn

Jim has been a major contributor in developing the Northeast Distribution practice since settling in the Princeton area several years ago. He has performed and managed major projects in distribution strategy, Base Plus and facility planning work. Jim



Robison

has demonstrated the ability to instill clients' confidence in him as shown by follow-up work at major clients such as Bernard Chaus, Inc., Hartmarx, The Greif Companies and Lab Safety Supply.

He has been involved in developing our distribution practice in the footwear industry and in advancing the state-of-the-art in implementing systems oriented projects with bar coding and computer directed picking. Such a project is currently being implemented for a 400,000 sq. ft. Reebok distribution center in Boston, Massachusetts. He has also given a major presentation to the FIA Distribution Conference.

Jim has also been able to coordinate a multi-function project involving strategy, systems, distribution and operations for St. Gillian's in New York City.

Jim, a Notre Dame graduate, enjoys running and resides in Plainsboro, New Jersey.

Ken Walker

Ken's enthusiasm for consulting work has instilled the belief in many clients that they are his only client. Ken's excellent project management skills have enabled him to utilize many resources in delivering successful consulting projects. These solid performances have resulted in follow-up projects for Viking Penquin, Waldenbooks and Liz Claiborne Accessories, to name a few. In all of

Robert D. Pee Memorial Scholarship Recipient Alan Gehringer

The \$2500 Robert D. Pee Memorial Scholarship from KSA and Southern Tech was awarded to Alan W. Gehringer.

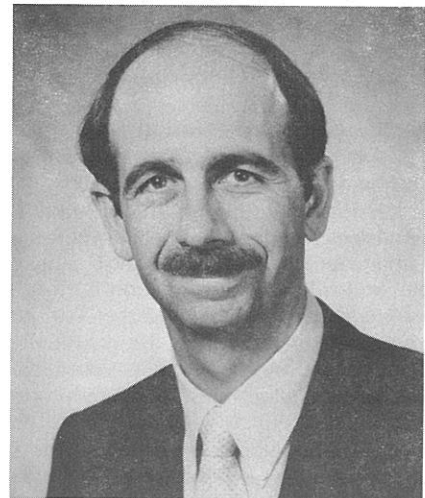
Alan is the son of William and Gloria Gehringer of Altoona, Pennsylvania. His father is a plant manager for an apparel manufacturer in Altoona. Alan attended Altoona Area High School and Penn State University before coming to Southern Tech. His grade point average was 4.0 for the two quarters he attended Penn State.

Among his achievements at Penn State were Sigma Pi president, apparel department representative on student government association, Dean's list, and second place Dean's Cup.

Alan has had a successful minicareer in the apparel industry already as he has worked as assistant foreman and pattern maker for a sportswear manufacturer, free-lance pattern maker and marker, and held a summer job with an Atlanta-based consulting firm.

RDP would be proud to endorse Alan as the recipient of this scholarship.

— Bill Cameron



Walker

these projects Ken has shown excellence in performing all phases of distribution consulting work. Ken and his wife *Barbara* have two sons and they make their home in Bucks County, Pennsylvania.

New Staff

West Germany

Gisbert Kraus joined KSA on October 1, 1987; assigned to the Operations / Distribution Division.

He received his engineering degree at Monchengladbach, and has 20 years of industry experience in the apparel industry as a production manager with various companies.

Gisbert and wife, *Evelyn*, have three children.

His hobbies are: literature (collecting 1st Editions), archeology (Greece, Egypt and the Near East), and sports (tennis, soccer, basketball and skiing).

Milestones

Congratulations to:

Christoph and *Petra Robe* on the birth of a son, *Maximilian*.

Hiltrud Floren and *Ludwig Schroven* on the birth of a daughter, *Kai*.

Steve Cain and *Beatrice Haff* who were married on July 18.

Don Richter, accounting systems manager in Atlanta, who was admitted to the State Bar of Georgia at a swearing-in ceremony for the Atlanta Judicial Circuit on November 13.

Interviews *Continued from page 13*

A Successful Presentation

When you're presenting a speech or report, you might consider these tips:

- Picture yourself as a success. Anticipate all the positives that will result from your glowing performance.

- Hotel room air is typically very dry. If you're spending the night before your presentation in a hotel room, fill the bathtub with water and open your bathroom door wide. This adds moisture to the room.

- Before speaking, don't eat any dairy products, or drink ice water or hot tea or coffee. These products and extreme temperatures constrict vocal cords. At the podium, have a glass of tap water available.

- If the speech or seminar provides a break period, ask that the refreshment tray include lemon and a small bowl of honey. If your voice gets raspy or sore

Atlanta

Roberta (Bobbi) Malone, Receptionist. Bobbi recently relocated from Detroit, Michigan, where she worked for Armada Corporation at their corporate headquarters in Detroit as a PBX operator/secretary. Prior to Armada, she worked for James Joseph Cosmetics as a sales/customer service representative and Gibraltar School District as a varsity track coach. She likes to read and enjoys spending time with her two children, and is looking forward to our southern hospitality and warmer winters.

Brenda Kennedy— Word Processing, Distribution. A graduate of Georgia Southern College, Brenda comes to us from JE Hanger where she worked as a senior administrative assistant/department manager. Prior to JE Hanger, Brenda was a traveling field consultant for Zeta Tau Alpha sorority. Recently married, Brenda enjoys water skiing, scuba diving and cross stitching.



Malone



Kennedy

during the day, some honey and lemon in water will save you.

- Prime your mouth before you speak. Sing along with the radio or just sing musical scales to get your voice working. If you get tense in your jaw, do some yawning exercises. If your neck gets tense, stretch your arms and roll your head.

—*Beth Souther*

KSA/NPD *Continued from page 20*

In addition to the clients mentioned above, Burlington Industries, Target Sportswear, Bali, Stedman-Standard Knitting, J.P. Stevens, the Wool Bureau, Hanes, The Lee Co., the Crafted with Pride in USA Council, Playtex, Wacoal, Oxford Industries, Oshkosh B'Gosh, and Montgomery Ward are among our 45 clients. McKinsey and Company as well as Marketing Corporation of America also rely on our database to support their marketing work for their clients.

—*Dudley McIlhenny*

New Senior Consultants

David Linch

David joined KSA in 1985. His clients include Patcraft Carpet Co., Cone Mills, Deena, and VF Corp. He is part of Strategy Services.



Linch

David Ping

David is a member of the Hamilton/KSA Facilities Group. He has served such clients as Harper Hospital in Detroit. The Finley Hospital in Dubuque, Iowa, and St. Luke's Hospital in Aberdeen, South Dakota. He joined KSA in 1982.



Ping

Chuck Troyer

Chuck joined KSA in 1984 as part of the Information Systems Group. He has served a diverse group of clients including Bidermann, The National Wildlife Federation, and Converse.



Troyer