

the KSA Observer

Volume 19, No. 2

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Summer/Fall, 1988

The Decade's Victors

For the past 10 years, *Consultants' News* has published a list of the top 100 consulting firms. Only 29 companies (out of 280) have made the list every single year.

The 29 leaders are listed below.

Arthur Andersen & Co.
Booz-Allen & Hamilton, Inc.
The Boston Consulting Group
Coopers & Lybrand
Deloitte Haskins & Sells
The Emerson Consultants, Inc.
Ernst & Whinney
Harbridge House, Inc.
The Hay Group
Ingersoll Engineers, Inc.
A.T. Kearney, Inc.
Arthur D. Little, Inc.
MAC Group, Inc.
Management Design Assoc.
Management Practice Inc.
(formerly Main, Jackson & Garfield)
H.B. Maynard & Co., Inc.
McKinsey & Co., Inc.
Robert E. Nolan Co., Inc.
Peat Marwick Main & Co.
Price Waterhouse
Rath & Strong, Inc.
Runsheimer International
Kurt Salmon Associates, Inc.
Science Management Corp.
Temple, Barker & Sloane, Inc.
Touche Ross & Co.
Towers Perrin
K.W. Tunnell Co., Inc.
Arthur Young & Co.

Inside:

New Health Care Column, page 4.

Introducing KSA's Largest Orientation Class Ever, page 6.

Consultants' Conference Pictorial, pages 8-12.

HSD in Russia, page 13.

Dick Sawyer Reports Glacier Discovery, page 13.

Update: KSA's Work Continues in the U.S.S.R.

It is a busy time on our three projects. The plants had a four week shutdown for summer vacation during June, July and August, and we used the opportunity to make layout and equipment changes from the abacus in the wages office to the zip stop machine on the trouser line.

The Tallinn resident team includes *Kevin Smith*, *Joy Montgomery* (both eight month veterans in Estonia), *Gisbert Kraus*, *Martin Bucher* (keeping the Teutonic spirit alive in Tallinn), *Ken Shao* (on temporary transfer to Mauritius), *Bettina Neumaier*, *Rebecca Newton* (when she can get away from Minsk) and *Bob O'Grady* (providing some Liverpool wit). *Steve Webb* and *Steve Humphreys* try to keep this group under control.

In Riga, *Aristide Jund* leads another multinational KSA team and makes good use of his language skills (French, German, English, Bulgarian and sometimes Alsatian). *Richard Symes* and *Fernando Bernal* are installing high-tech cutting equipment in a low-tech building. *Liam de Prendergast* is showing the Soviets how to run a modern ladies' coat sewing and pressing line. *John Millin* is reorganizing and training the management, and learning how to adapt

Western incentive schemes to the Communist system. *Baljit Athwal* is installing computer systems with assistance from the Riga Technical Institute and support from *Liz Wilson*. *Alan Braithwaite* arrives each month to keep the client entertained.

Brian Nielsen is attempting to break the record for longest stay without a trip home and the longest spell on a USSR project. He also has ambitions to be the first person to circumnavigate the world starting and finishing in Minsk. The rest of his team are *Paul* (fur coat) *Atkinson*, *Ray Hughes* and *Alan Tennant* (all three have not yet decided whether Vladimir Vladimirovitch is an easier client than Stuart Hollander). *Rebecca Newton* is installing computer systems (when she is not in Tallinn) under the supervision of *John Rutherford* (who cannot decide whether he prefers Mikhail Tkacher or Harry Lack). *Brendan Lawlor* finds that speaking Russian with an Irish accent is an asset for his supervisor training sessions. *Klaus Herzog* (who has found a shortcut to Minsk via East Berlin) provides regular technical assistance. *Tony Smith* helps Brian manage an efficient but demanding client.

continued on page 18



John Millin uses a Toshiba during a training session with the Head of Scientific Organization of Labor at the Riga factory in the Soviet Union.

From the Chairman



by
Dave
Cole

Excerpts of opening remarks by David A. Cole given at KSA's Worldwide Consultants' Conference, May, 1988.

At the close of our 1985 conferences in the US and Europe, we spoke of change — in the world, our markets, our clients, our competition, and KSA. We continue to see change in all of these areas — at an increasing rate. Change is a constant.

Two general areas of change have the most impact on the consulting profession. First is the emergence of a *global marketplace*. We are all exposed daily to the increasing interdependence of the world's major economies through the use of products or services

some emerging trends, and our position.

The World Consulting Market

We are in an exciting time in consulting with a growing market, and new opportunities to serve our clients more effectively.

The world market for consulting services is \$10 billion with 51% delivered in the U.S., 27% in Europe, 10% in Japan, and 12% elsewhere. The highly developed economies provide the major market for the profession.

U.S.-based consulting firms comprise about 70%, or \$7 billion of the worldwide market. This includes about \$6 billion from 862 firms, and \$1 billion from solo practitioners. A relative handful of 40 firms out

“Management Consulting in a Global Economy”

originating in countries other than our own.

There is tremendous opportunity in this rapid shift to globalization for leading companies that take a global scope for assessment of markets, achievement of a balanced world class source of supply, establishment of logistic networks, and systems to track trends and manage a diverse supply pipeline.

Technology is the second, and perhaps most profound area of change.

We are fully into the era of information and communications technology, as well as rapid advances in manufacturing and health care technology. Technological developments occur around the globe, and are rapidly disseminated. The world is truly becoming the oyster for aggressive firms. The evidence is irrefutable.

Well-managed client firms capitalize on the opportunities inherent in these and other changes, and prosper.

In order to take advantage of new opportunities to serve clients effectively, in this environment, consulting firms must be aggressive and innovative.

However, the *basic mission* of the profession — anywhere in the world — *never changes: making our clients successful*. In the long run, firms that do that the best are the most successful.

Let's now look at the status of the profession,

of the 862 provide 72% of the dollar value of professional consulting services indicating substantial consolidation.

At the end of 1987, KSA ranked 36th on that list of 862 consulting firms.

If we examine the top 40 firms, we find:

- 37 have significant operations overseas, evidence of their recognition of the requirement for globalization.

- 30 are specialists, clear evidence that deep knowledge about a subject consistently adds value to the client.

Therefore, with very few exceptions, there is no room at the top for firms that lack specialization and a global scope.

Additionally, we see that 11 consulting firms are benefits-based, 10 are MAS arms of large accounting firms, and 19 are management consulting firms with a variety of core specializations.

Therefore, 21 of the 40 come into consulting from another base — a sign of an exciting market.

Of particular note, KSA is the leading industry specialist firm of the 19 management consulting firms in the top 40.

In Europe, the market is similar to the U.S. and totals \$2.7 billion. The industry structure is similar with substantial consolidation, new entrants, and an increasing premium on specialization and a global scope.

Mergers and Acquisitions Increasing

The consolidation underway is due to differential internal growth rates and a significant increase in mergers and acquisitions. Consulting is a national and global market, requiring national and global resources, the power of scale and specialization. Therein lies the wisdom for joining forces in many cases.

Also, it seems many people have observed the professional satisfaction, challenges, and rewards we enjoy . . . and wish to be a part of it.

Some of the mergers may well be competitive responses to KSA's assembly of a very powerful team in the Health Care division, with the combination of Hamilton Associates, and KSA-HSD, and subsequently strengthened via our new colleagues from J. Lloyd Johnson Associates.

We believe, properly handled, a merger or acquisition is a win/win situation. Improperly conceived or implemented, it is non-productive.

Our HSD combination is the best fit of any in the health care arena because each firm was deeply committed to professionalism, specialization, quality, career orientation, and growth — the synergies were clear.

I trust everyone shares enthusiasm for those points, and I know we all share the commitment to keep them as part of our overall practice.

Strategic Alliances Gaining Importance

The concept of strategic alliances is increasingly important worldwide. The arrangements run the gamut from opportunistic to continuing relationships that are tantamount to a merger of capabilities.

Recent KSA activities include:

- An alliance between KSA/UK and Taylor-Woodrow, resulting in \$5.4 million in engagements in the USSR.

- KSA/NPD — to provide KSA sole access to a 19,000 household apparel purchase diary.

- VAM, or Value Added Management, for which we obtained the North American license in the soft goods industries to combine techniques of quality circles, Just-In-Time, and modular manufacturing.

- KSA/Infosys, which addresses the strategic need for cost-effective implementation services in software development on a global basis.

continued next page

Competition

Due to mergers and acquisitions, strategic alliances, consolidation, and other factors, the competition in management consulting is increasing. As committed industry specialists, we start with an advantage.

However, competition puts a premium on the aggressive development of our market specialist full-service strategy — and a major premium on excellence in recruiting — so that all consultants have long-term growth potential . . . and perhaps most importantly, on excellence in professional development.

Professional Development

Although many other trends are emerging, perhaps none are more important than the absolute *requirement* for career-long professional skill development. Top notch personnel with constant professional development provide the superior performance demanded by clients.

There is no doubt in my mind that the quality of the personnel whom we are inviting to join the firm is exceptional. Consulting demands the best and the brightest, and we are doing very well in that regard. We are now also adding to our long-standing commitment to professional development.

Randall K. Nord is taking on the task of professional development director for the firm, worldwide. His efforts will be supplemented in a number of ways. In Europe, John Heyworth is undertaking a five-year assignment to stimulate, coordinate, and enhance professional development programs for the U.K. and German regions. His efforts will be coordinated by Randy with the efforts in the U.S. Over the last year, we have strengthened our initial orientation program, created a new principal's training program, increased the use of outside professionals in speaking and presentation technique, case technology, and other areas. In 1988 and 1989, we will more than double our professional development budget.

I believe we are entering the most exciting era in the history of management consulting.

We will continue to be one of the few firms worldwide that sets the agenda for our client markets and enjoys the resultant high level of professional reputation and satisfaction that we now have.

The external market is there, and we have the internal environment to meet the challenges...people committed to success.

As we build on our success in a world of change, we will be building on a solid foundation of our constants: specialization . . . innovation . . . quality . . . respect . . . results . . . integrity. These constants make up our culture, and it is one of which we can be justifiably proud. We are enjoying success in our business due to our attention to these essentials.

Leslie Fay

A Major Merchandising Success Story

The Leslie Fay Dress Division produced dresses in Wilkes-Barre, Pennsylvania on a quick-turn basis for 40 years. In response to pricing pressures, the management of the company decided a few years ago to produce a segment of the line off-shore. However, the longer lead-time presented a problem to the company: shipments of imported dresses arrived late in the retail selling season, missing the opportunity for a strong sell-through, and necessitating price reductions that eroded the company's margin on the imports.

In November of 1986, KSA (after many years of pursuing Leslie Fay as a prime target client) was requested to submit a proposal for assistance with this timing problem. As we became familiar with Leslie Fay's approach to line development, however, the need for a revised merchandising strategy became apparent.

We recommended that Leslie Fay strengthen its weakened position in the market by offering a series of collections of styles that make fashion statements rather than offering a line of items. We also recommended that they plan, sell, and ship the collections by pre-determined delivery windows. If implemented effectively, this new merchandising strategy would strengthen the company's position, not only

by attracting the consumer's attention to the Leslie Fay goods at retail, thereby improving sell-through, but also by responding to the retailer's need for constant replenishment of fresh merchandise.

At the same time we recommended this new merchandising strategy, Leslie Fay management decided to alter its product/market strategy by targeting a younger, more updated consumer than in the past. Management embraced the merchandising strategy recommended by KSA because the two concepts complemented one another. Therefore, the scope of the project grew from merely identifying the proper timing of events for the company's existing line development process, to a total re-vamping of this process.

The project is now complete and 18 months after its onset, the results from the first two seasons are finally available. It takes a long time to see the fruits of labor in merchandising due to the long cycle associated with developing, booking, producing, shipping and selling-through apparel.

As a result of this project and the company's shift in target consumer, the Leslie Fay Dress Division is back on a growth track. As of March 7, 1988, total division bookings for the Spring and Summer

continued on page 13



The Leslie Fay Shop in Kaufmann's, Pittsburgh, which opened in February.

Health Care Corner



by
**Barry
Moore**

Welcome to a brand new column — a new regular feature in the KSA Observer. This column will attempt to build upon the outstanding experience at Amelia Island of having our two divisions understand more about each other. In the issues that follow, I will be calling upon a number of our leaders in the health care division to help address such questions as: Who owns and manages hospitals? Who pays for health care? and, What critical issues are hospitals facing today? We hope these columns will help bridge the gap between the consumer

historically the U.S. health care system involved payment for health care based on what it cost, until recently, there was little incentive to control labor costs through modern management methods. As the industry becomes more cost-conscious, KSA's knowledge of the many factors affecting labor productivity will serve us well.

The health care industry is also capital intensive — facilities and equipment represent substantial investments with highly specialized uses and long lead times. Consultants

ing credibility in the field and broad publicity for the survey's results. Hamilton/KSA also has achieved a high degree of visibility within a number of important submarkets of the health care field, although there is certainly room for improvement in building our nationwide reputation.

A final facet of the health care industry concerns KSA's consulting competition. Consulting firms serving the health care industry had been, up until the mid-1980s, largely small and specialized. Only one of the big eight accounting firms (Ernst & Whinney) had a substantial health care consulting practice beyond information systems work. Since the merger of Hamilton Associates and KSA, however, a flood of similar mergers has occurred. Four of the big eight accounting firms have one or more acquired specialty health care consulting firms, and a number of the larger general management firms have also acquired specialty health care groups in recent years. Still, no single consulting organization controls more than about ten percent of the non-information systems consulting market, and most firms have market share under five percent, on a par with KSA's health care division. Therefore, with sustained, successful growth, KSA has to become one of the market leaders.

Health care consulting represents an enormous opportunity for KSA. The firm has assembled — and will continue to add to — the necessary resources for success in this industry. We hope to achieve the type of market and leadership in the health care field that KSA has already staked out in many segments of the consumer products industry.

“Why does health care consulting represent an opportunity to KSA?”

products and health care divisions and will make us all better informed about an important and growing aspect of KSA's practice. Now, let's turn to this issue's topic.

The health care industry is one of the largest segments of the U.S. economy and it continues to grow at a faster rate than the economy as a whole. The health care industry already comprises some 12% of the U.S. Gross National Product; many experts predict that it will reach as much as 15% of the total GNP by the end of the century. It is also a large employer of both skilled and unskilled labor; nearly 6% of the U.S. workforce now works in a health care-related occupation.

In addition to size and growth, however, the health care industry is under a great deal of stress. Changes in the health care payment system, new modes of health care delivery, more aggressive competition within the industry, and a major change in the outlook of health care managers alter the environment. All of this represents consulting opportunity, of course. Even more importantly, it represents opportunity that matches KSA's historical (and current) areas of expertise.

Much of the health care industry (hospitals, nursing homes, physician group practices) is labor intensive. Yet, because

that have unique expertise in matching facilities and equipment investments with marketplace opportunities and client needs will have a substantial advantage. KSA has this type of expertise available in consumer products consulting and through the experienced consultants added from Hamilton Associates and J. Lloyd Johnson Associates.

The health care industry is, in most markets, moving into a much more directly competitive mode instead of a heavily regulated, noncompetitive mode. This kind of an environmental shift represents tremendous consulting opportunities for firms that have expertise in strategic planning, product line management, and marketing management. This, again, is a strength of KSA overall, and it is also a specific strength of the HSD consulting staff.

In addition to having the necessary expertise, KSA's health care division also has many of the requisites for access to this large, complex industry. Many of its consulting staff are trained in masters-level health care administration programs; many former classmates and students are potential clients today. KSA regularly conducts an annual survey of hospital CEOs in conjunction with *HOSPITALS*, the magazine of the American Hospital Association, thus assur-



The KSA Observer

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A Wedding of Strengths

First, a bit of history.

Jerry Johnson founded J. Lloyd Johnson Associates in 1966 after ten years with Dow Chemical in Midland, Michigan. His original idea was to serve high-tech companies in strategy and marketing, focusing on the process of technology innovation and adoption. After a few years, Jerry decided to specialize in health care. In 1972, the first assignment for a hospital was conducted. The market scope of clients expanded from laboratory products to radiology, cardiology, surgery, and beyond. Historically, our billings have been 2/3 corporate and 1/3 hospital. We used the same staff on both

ties to KSA. We were both members of acme. Jerry served on the Board from 1984-1986, and I served on several committees and attended several annual meetings where my wife, *Frances*, and I became acquainted with *Dean* and *Susan Vought* and *Dave* and *Robyn Cole*. Jerry and *Arlene Johnson* even vacationed with *Dean* and *Susan* several times and *Dean* and I engaged in several intense tennis battles. Through these ties, it was clear to me that we shared many common values regarding clients and consultants, and these transcended the sizes of our organizations. In the fall of 1987, KSA and JLJA began some serious discussions. In March of 1988, we determined that KSA was indeed the best

a broader client base. Secondly, our charter is to strengthen services to hospitals, primarily as they pertain to technology.

In a short time, many potential linkages have been identified.

Brad Fox, who is extremely familiar with electronic imaging in medicine, is working with *Peter Brown* on applications in apparel for a client we have both served.

Brad Morrison and I are pursuing a project with a group of dealers/distributors of first aid supplies and expect to tie into KSA strengths.

We are successfully blending our strengths and perspectives with those of Hamilton/KSA and have begun cross-staffing projects.

Numerous people have provided entrees to potential clients: "My client's brother works at . . ."; "I met her at Speakeasy"; my father is vice-president of . . ."; and my college classmate is . . ."

Our little town of Deerfield has three potential KSA clients.

We expect to explore the many KSA strengths that can be transferred into the industry we know well.

Yes, we are excited. Three years from now at the Consultants' Conference we expect to present success stories like all those we heard at Amelia.

"In April, the staff of J. Lloyd Johnson Associates joined KSA. I want to describe what we expect to happen as a result."

— *Dave Griffin*



types of projects, a philosophy that we think is good for clients and consultants.

The year 1986 was a memorable one. We had a record year of \$1.2 million in fees. In September, we moved into our new office in Deerfield, a suburb of Chicago. In November, Jerry learned he had terminal cancer. From that point we began an active search to find the right home for us to continue to do what we enjoy. (I can write a book about that process, but that is for another time.)

J. Lloyd Johnson Associates had some strong

opportunity (among several very attractive ones) and within a month we worked out the details and closed.

But How Will She Look in the Morning?

Like any newlywed, we came away from the closing with a mixture of excitement and apprehension. The highlight of the honeymoon for us was Amelia Island. While three days is not enough time to digest 50 years of history and tradition, it certainly relieved any anxieties we had, and it opened our eyes to many possibilities to work with our new colleagues in all parts of KSA. (As a part of my iron-fisted rule, I can even promise or threaten Siberia!) So in the last part of this article, let me express what I see as some of those possibilities.

Our charter is to extend HSD services to suppliers of medical products and services. Building from our strength in strategic marketing services largely for new, high-tech products, we hope to expand functionally and to



L to R: *Pat Martello*, *David Griffin*, *Betty Fisher*, *Carl Jones*, *Brad Morrison*. Not pictured: *Brad Fox*, *Karen Gunther*.

Vital Statistics

While we have not conducted an in-depth statistical profile of the consultants, I can accurately report the following facts. Half are married. Half play tennis, the other half golf. There are 1.75 runners, one triathlete, and one biker (pedal, not motor). Home states are Texas, North Carolina, New Jersey, and Minnesota. Three-fourths are University of Chicago MBAs; the other one-fourth is supposed to be in awe.

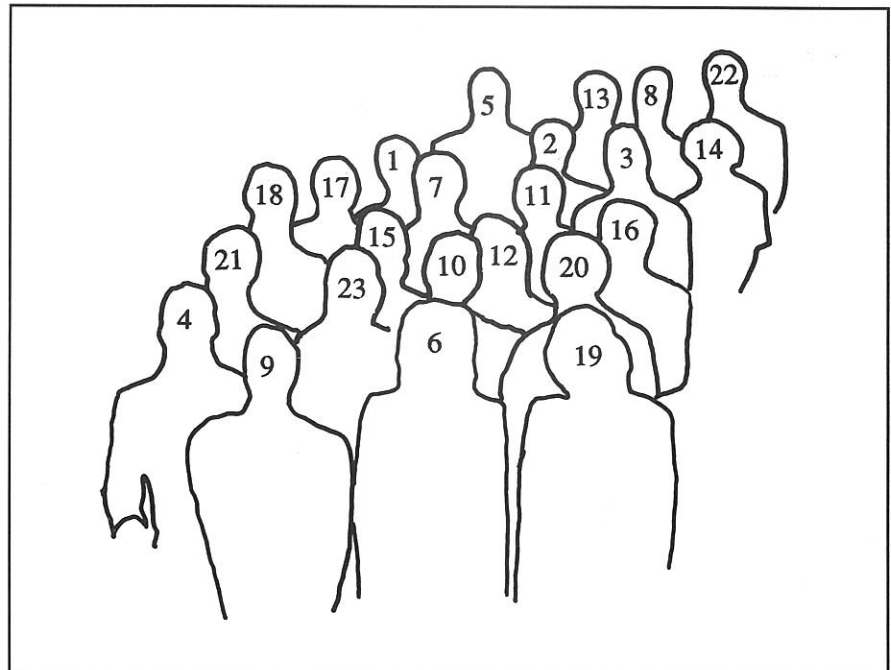
Our success has always depended on the last step in the critical path of every project — report production. We are blessed with great experience and dedication. *Betty Fisher* has been with us almost 15 years. With *Frank McMillan's* decision on word processing, she will officially have learned her umpteenth system.

Pat Martello has been with us since 1980. Most people think I became managing director in 1982; it was really Pat. She has traded the job of all IRS filings for Department T filings; the verdict is still out on which was better.

KSA's July, 1988 Orientation Class



1. Palmen, B. (Bert). BS, University of Technology, Eindhoven, Holland. Age 30. Hometown: Barcelona. Single. Previous experience as a free-lance consultant involving investment-calculation and cost control system design. Assigned to Operations in Spain.
2. Adams, J.K. (Joe). BA, University of Pittsburgh. MBA, The Wharton School, University of Pennsylvania. Age 26. Single. Hometown: Altoona, PA. Previous experience as Assistant Director and Consultant with Wharton Small Business Development Center and Senior Accountant with Price Waterhouse. Assigned to Strategy in Atlanta.
3. Bedol, G.D. (Gregg). BA, Brandeis University. MBA, Case Western Reserve University. Age 32. Married: Jan. Hometown: Cleveland, OH. Previous experience in marketing with MarshAllan Industries, Inc. and retail systems consulting, Arthur Andersen & Co. Assigned to Information Systems in Atlanta.



4. Berarducci, J.M. (Jim). BS, University of Minnesota. MHA, University of Minnesota. Age 27. Married: Mary Kay. One Child: Mallory. Hometown: Chisholm, Minnesota. Previous experience includes conducting market research, data analysis, and developing marketing programs for various Minneapolis Health Care Organizations. Assigned to Health Services Division in Minneapolis.
5. Blazek, P.J. (Peter). BSIM, MSM, Georgia Tech. Age 25. Single. Hometown: Chattanooga, TN. Previous experience as graduate assistant football coach at Georgia Tech and Director of Alumni Clubs, Georgia Tech Alumni Association. Assigned to Operations.
6. Bruce, T.A. (Toni). BS, Georgia Tech. Age 23. Single. Hometown: Stone Mountain, GA. Previous experience as co-op student with IBM. Assigned to Information Systems.
7. Butler, J.C. (Jeff). BIE, Georgia Tech. Age 23. Married: Robin. Hometown: Macon, GA. Previous experience in cooperative program with Georgia Power Company. Assigned to Operations.
8. Ciechon, M.S. (Mark). BS, University of Pennsylvania. MBA, UCLA. Age 28. Single. Hometown: Mt. Ephraim, NJ. Previous experience in currency trading at Banker's Trust Company, Treasury Assistant at Chappell & Co., Inc. and Corporate Finance Analyst at Wertheim & Co., Inc. Assigned to Strategy in New York.
9. Cline, M. (Melissa). BS, Georgetown University. MM, Northwestern University. Age 27. Single. Hometown: Midland, Michigan. Previous experience includes health care consulting with Loudon and Company, and marketing with Ceccato, Inc. Assigned to Health Services Division in San Francisco.
10. Doerr, J.T. (John). BS, Rensselaer Polytechnic Institute. Age 22. Married: Leslie. Hometown: Caldwell, ID. Previous experience includes industrial engineering and budget work for Martin Marietta. Assigned to Operations.
11. Echeverry, J.F. (Juan). BS, Universidad de Los Andes. MBA, EAFIT-ICESIE Management Program (Universidad Icesi). MS, CIMS, Georgia Tech. Age 27. Single. Hometown: Cali, Colombia S.A. Previous experience with engineering and graphic design, developing and implementing information systems for production and inventory control. Assigned to Operations.
12. Erikson, R.M. (Randi). BS, Rensselaer Polytechnic Institute. Age 22. Single. Hometown: Nassau, NY. Previous experience as co-op student for IBM Corporation and Xerox Corporation. Assigned to Information Systems.
13. Flannery, J.F. (Jack). AB, Princeton University. MBA, New York University. Age 32. Single. Hometown: Blue Bell, PA. Previous experience includes product development for Armour Food Co. and account management at Ted Bates. Assigned to Strategy in New York.
14. Gross, J.F. (Joanie). BIE, MSMS, CIMS Georgia Tech. Age 24. Married: Mike. Hometown: Bowie, MD. Previous experience includes developing manufacturing plans, initiating cost awareness and idea implementation programs, and industrial engineer co-op with M&M/Mars, Division of Mars, Inc. Assigned to Information Systems.
15. Gunther, K.E. (Karen). BS, McGill University. MBA, University of Chicago. Age 26. Single. Hometown: Framingham, MA. Previous experience includes research assistant at Dana-Farber Cancer Institute. Assigned to Health Services Division in Chicago.
16. Heffley, D.M. (Diana). AB, Vassar College. MM, Northwestern University. Age 27. Engaged: Michel. Hometown: Schenectady, NY. Previous experience as retail department manager - soft goods at Abraham & Straus. Assigned to Strategy in Atlanta.
17. Levinson, C. (Carl). BS, Butler University. Age 31. Single. Hometown: Indianapolis, IN. Previous positions held within Harry Levinson, Inc. include MIS Director and Vice President. Assigned to Information Systems.
18. Pamell, C.R. (Clayton). BIE, Georgia Tech. Age 22. Single. Hometown: Atlanta, GA. Previous experience with IBM as co-op student. Assigned to Information Systems.
19. Poolos, A.E. (Ann). BA, Colby College. MBA, Boston University. Age 26. Single. Hometown: Greenville, PA. Previous experience includes internal consulting/operations (Dartmouth Hitchcock Medical Center) and Department of Public Health (Boston, MA). Determination of need analysis. Assigned to Health Services Division in Boston.
20. Purvis, C.L. (Carlton). BS, East Tennessee State University. MBA, University of Oklahoma. Age 27. Single. Hometown: Dallas, TX. Previous experience includes consulting with Goddard Student Health Center at University of Oklahoma and corporate auditor with Texas Instruments. Assigned to Health Services Division in Dallas.
21. Skinner, M.J. (Mike). BAS, University of Pennsylvania. Age 22. Single. Hometown: Muncie, IN. Previous experience includes developing production systems for Markel Corporation. Assigned to Distribution.
22. Sweeney, J.F. (John). BA, University of North Carolina. MM, Northwestern University. Age 28. Single. Hometown: Greensboro, NC. Previous experience includes health care consulting, hospital administration, and technical advisor, U.S. Peace Corps. Assigned to Health Services Division in Atlanta.
23. Wicks, J.F. (Jenny). F.C.F.I., Hollings College. Age 34. Single. Hometown: Maidstone, UK. Previous experience in the apparel industry includes training, manufacturing, and computer systems, including production control, grading and marker making systems. Assigned to Strategy in U.K.

Not Pictured:

24. Wong, M.L. (Mary). BA, MPH, University of California - Berkeley. Age 41. Married: Barry Shane. Hometown: San Francisco, CA. Previous experience in Health Care Consulting with Arthur Andersen & Company and Health Systems & Services. Assigned to Health Services Division in San Francisco.
25. Flatley, W.J. (Bill). BSC, DePaul University. MBA, Northern Illinois University. Age 42. Married: Deborah. Children: Kerry and Elizabeth. Hometown: Chicago, IL. Previous experience includes consulting with Walter K. Levy Associates and research director at Montgomery Ward. Assigned to Strategy in New York.
26. Sadler, R.E. (Randy). BIE, Georgia Tech. MBA, Georgia State. Age 39. Married: Ellen. Hometown: Camilla, GA. Previous experience includes management consulting with Touche Ross & Company and systems development with Management Science America. Assigned to Information Systems in Atlanta.

15 Years Ago

The Atlanta Office moved from West Peachtree to Colony Square.

KSA's Christmas Card Fund doubled in two years; KSAers gave more than \$5,000 to charity. (1987 total was \$12,400.)

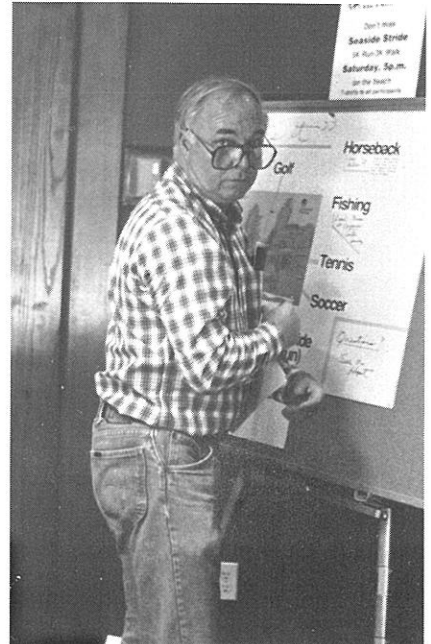
KSA considered opening an L.A. office.

KSA: A Worldwide Vision

1988 Consultants' Conference, May 27-30, Amelia Island Plantation



1.



2.

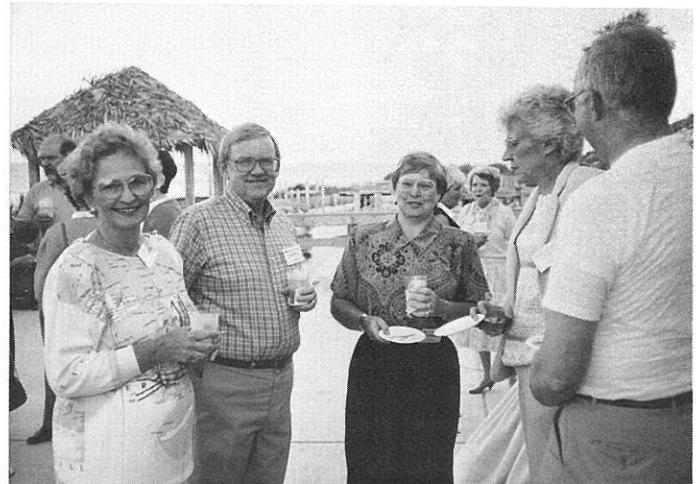


3.



4.

1. Checking in. 2. *Jack Johnson* organizes the important stuff — recreation. 3. Enjoying lunch alfresco. 4. The view. 5. Friday evening cocktails on the beach. 6. Walkers strut in Seaside Stride to win T-shirts. 7. *Rosita Perez* speaks at spouse's luncheon. 8. *Denys the Bandito*. 9. *Peter Pinder-Browne*, *Cesare Aspes*, and *Peter Brown* celebrate their 10 year anniversary with KSA. 10. *John Wilcox* and *Dave Cole* fine-tune their notes before speeches. 11. KSA's substantial Far East practice. All of these folks have worked in the Orient and have mastered chopsticks. 12. Food is an international symbol for friendship. 13. Can we ever have a KSA event without a Run? 14. *Denise Trostle* makes sure Sunday evening's events run smoothly. *Charlene Brockett* awaits her time on stage. 15. A little R & R after a morning of business. 16. *Jack Ullman* and *Ken Osborne* trade jabs at the barbeque.



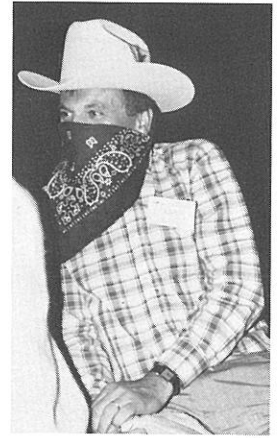
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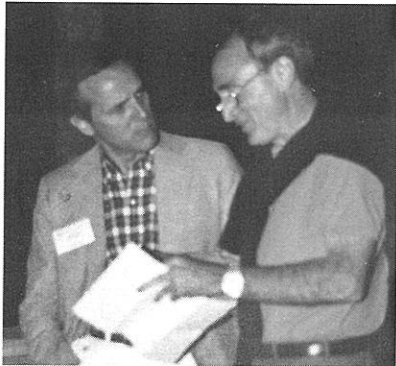
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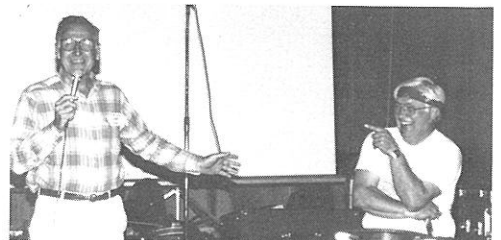
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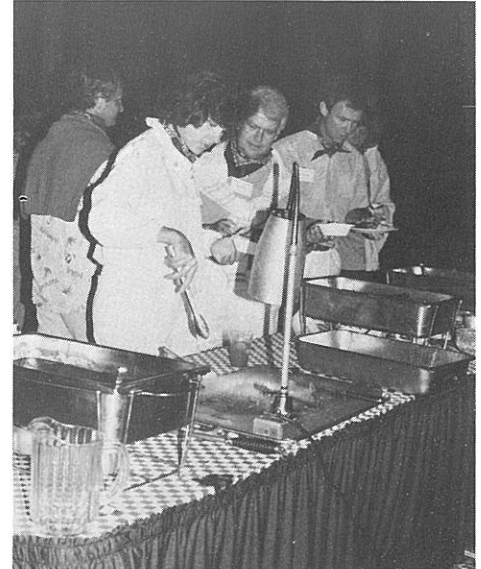
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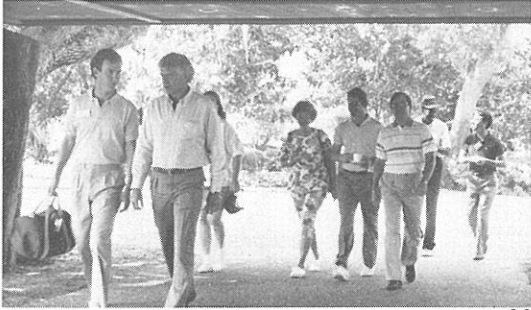


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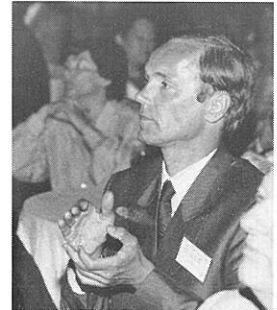
17. Attendants at Saturday night's barbeque enjoy a visit from a multi-footed friend. 18. *Hardy Artelt* proves that barbeque can be an international food. 19. *Stig* gets a round of applause for his leadership. 20., 21. Gala attendees give their attention to the evening's entertainment and honors. 22. Cast of KSA-a-Lot. 23. To the conference center for one last business session. 24. KSAers are welcomed to the International Gala in many different languages. Here, *Giuseppe Tosco* gives the Italian version. 25. More interested onlookers. 26. The conference provided KSAers with an opportunity to trade stories from all over the world. 27. How much energy does fishing take? 28. One of many lively discussions at the International Gala. 29. As long as the replacement fluids held out, this game was unstoppable. 30. Spouse camaraderie over lunch. 31. KSAers are as competitive at tennis as they are in proposals. 32. *Lanell Stanley, Randy Nord*, and friend — participants in one of many excellent presentations on client work. Page 12: 33. KSA's German Region stands still long enough for a picture, even though they're on top of a bed of fire ants. 34. A break for lunch and conversation. 35. A little friendly competition.



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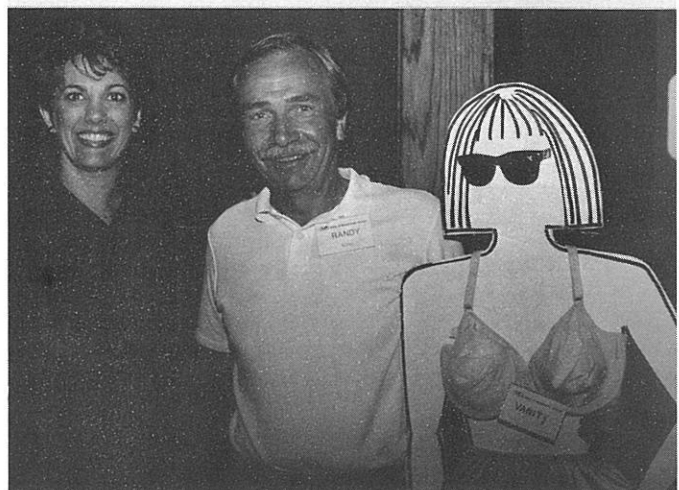
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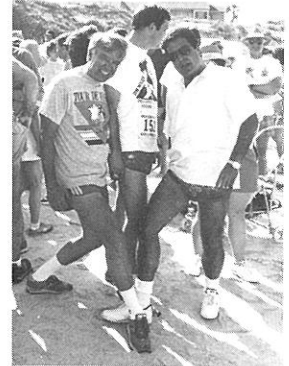
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Searching for that perfect Christmas gift?

Group photographs, taken at the Consultants' Conference, are available for purchase through the Communications Department in Atlanta. \$5.00 each for a 5 x 7"; \$10 for an 8 x 10." Indicate choice: 1986-88, 1980-85, 1970's, 1960's, 1950's/before, or German Region (photo number 33, above).

Avoid COD charges — send check with order. Deadline for ordering is October 31. Sorry, no giftwrap available at these low prices.



1950's/before



1960's



1970's



1980-85



1986-88

Snapshots

Dick Sawyer Reports Glacier Discovery

If you're looking to reverse the effects of too much supersonic travel, or you need an opportunity to ignore all that advice in the Hope Newsletter, my wife, *Janet*, and I have a recommendation. This was the year we selected a "dream vacation:" a week's cruise over the inside passage to Alaska.

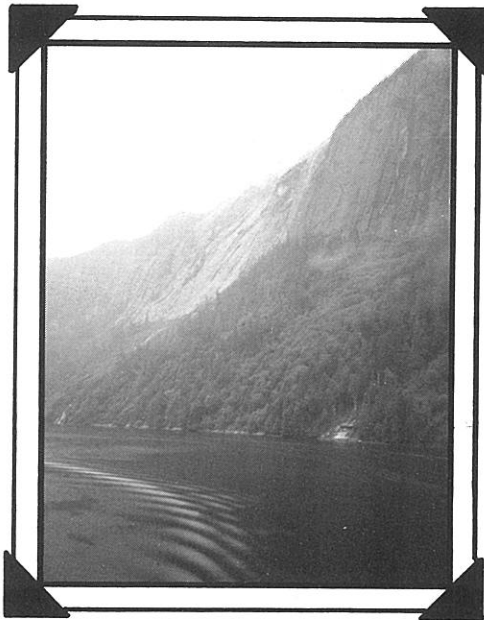
We set sail on a Saturday afternoon in June from Vancouver, B.C., and within an hour were eating the first of many meals.

The first two nights, and the day between, were spent cruising at a leisurely 19.8 knots (about 23 miles per hour) up a series of channels, sometimes wide and sometimes very narrow. During the day, we passed an area where a number of bald eagles nested. There are lots of snow-capped peaks along that route, and I have lots of slides to prove it. On the return trip, snow-capped peaks weren't nearly the novelty they were on the way up.

In Juneau, we took a side trip and discovered both the Sawyer glacier and the South Sawyer Glacier. Both were losing ice and on the chunks floating past the boat, seals, seal pups and sea otters sunned themselves. Some swam near the boat. We spotted goats on a nearby mountain and a black bear on our way out of the fiord. We left our glaciers in good condition, and went back to the ship to eat.

The next day, we stopped in Skagway, the port for the Yukon gold rush, and took a scenic train ride on the narrow gauge White Pass and Yukon Railroad to the top of the mountains. More great views, including Dead Horse Gulch, where many horses perished as they carried prospectors and supplies over the mountains in the days before the railroad was built.

Skagway itself is a tiny town, shrinking to less than 500 people after the tourist season is over. After a short overnight cruise, we arrived in Glacier Bay where there are many (I didn't count) glaciers, including one that



For someone accustomed to airline speeds, our leisurely cruise along the inside passage to Alaska was quite a change.

dropped chunks of ice into the water about every fifteen minutes. On the way out, we spotted some humpback whales and I believe I saw a puffin.

The return trip included a stop in Ketchikan, where it rained (105 inches a year, on the average) and was cold, and we acquired some excellent smoked salmon. Those who went fishing generally had little luck, and there's not much else to do in Ketchikan.

From there we cruised back to Vancouver, enjoying nightly entertainment, lots more food and plenty of relaxation. June is a great time to go to Alaska. There is plenty of daylight, and it is a wonderful adventure. If you're looking for a relaxing, yet adventurous vacation, try a cruise through Alaska in June. We think you'll love it.

—*Dick Sawyer*

HSD Expands Practice to Siberia

Hamilton/KSA was asked to develop a medical equipment budget and equipment specifications for a new 400-bed hospital in Siberia by Polar Construction, a large construction/engineering firm from Finland that is bidding on the project. Polar Construction has successfully built a number of medical clinics for the Soviets and is optimistic about its chances to secure this project. *Don Shaw* and *Jim Small* were the lead consultants who successfully marketed the job and pay-as-we-work contract.

"All the Work in a Quarter of the Time"

The original three month schedule was cut to three weeks by the Soviets, who provided very little guidance on their needs. With a lot of hard work by many people, we met the deadline, produced five volumes of equipment budget and related data sheets. *Jim Small* did an excellent job of coordinating this project from beginning to end, which included working three straight weekends and the 4th of July. *Chuck Boyer* in Minneapolis stayed up all night on the last day of the project to complete the equipment budget. *Carolyn Korbel*, *Carl Jones* (Chicago), *Julie Taufen*, *Boya Polymeros* and others in Minneapolis gave a great extra effort. While it was a lot of work, there was genuine enthusiasm and esprit de corps in the effort, and satisfaction with the product.

Keep those mukluks handy— we may be here awhile.

We hope this is just an initial success by HSD in the Soviet market. From our vantage point, there seem to be significant opportunities for our services in the USSR, particularly for the Facilities and Operations Practice. If our work is well-received by the Soviets, we would like to leverage ourselves into other project areas. If Polar receives the contract, we will start negotiating soon for follow-on work to this initial equipment planning effort. —*Don Shaw*

United Way—It brings
out the best in all of us.



United Way

Leslie Fay (cont'd)
seasons of 1988 have increased by 12% and 20% respectively in dollars over the same seasons in 1987. In units, the increases to date are 15% for Spring and 22.5% for Summer. (Remember — Spring 1988 was booked during the throes of the stock market crash!) In addition, the company has been

successful in launching the concept of *Leslie Fay* boutiques within its department store accounts. By May, 1988, 117 such boutiques had opened. The company has been successful in implementing its new strategies because it has organized to respond to the needs of the market in terms of product, delivery and price. —*Bonnie Brauth*

Beyond Self

Exercise regularly, eat a well-balanced diet and do something nice for someone. That's the advice you're apt to get from your doctor in the near future. There's more evidence than ever that helping others has definite health benefits for those who lend a helping hand. In an explosion of new research, the benefits of altruism — long praised by moralists — are being proven by psychologists, epidemiologists and neuroscientists.

Helping other people brings real physical benefits as well as psychological ones, according to epidemiologist James House and his colleagues at the University of Michigan's Survey Research Center. They studied 2,700 people in Tecumseh, MI, for more than a decade, to see how their social relationships affected their health.

The researchers found that doing regular volunteer work, more than any other activity, dramatically increased life expectancy (and probably vitality). Men who did no volunteer work were two and a half times as likely to die during the study as men who volunteered at least once a week. (The health benefits of volunteerism were less clear for women — perhaps because most women already spend a lot of time looking after other people, whether they join a volunteer group or not.)

One key benefit of volunteering is that it's a way of connecting with people. Other data from Tecumseh show that those of us with

many social contacts tend to live longer than more isolated individuals. In fact, even pleasant, relaxing activities may be *bad* for your health if they make you more isolated. In the Tecumseh study, people who spent a lot of time reading, listening to the radio or watching television had a higher-than-average mortality rate.

The Physiology of Altruism

Though researchers now agree that social involvement is good for your health, they're just starting to figure out why. The late Hans Selye, who founded modern stress research, thought that helping others could keep your nervous system from going into overdrive. By doing good for people, Dr. Selye reasoned, you inspire their gratitude and affection, and this warmth will help protect you from the stress of life. Altruism is the currency with which we buy the social support that sustains us. In his classic, *The Stress of Life*, Selye coined the phrase "altruistic egoism" — or, as we might call it, selfish altruism — to describe this idea.

That feeling of warmth from doing good may well come from endorphins — the brain's natural opiates, which have also been linked to the highs we feel from running and meditation.

Scientists are also finding that doing good

In the body/mind economy, the benefits of helping other people flow back to the helper. New research shows that doing good may be good for your heart, your immune system — and your overall vitality.

may be good for your immune system as well as your nervous system. These two regulators of health are turning out to be intimately linked. Nerve cells connect the brain to parts of the body, like the bone marrow and spleen, that produce the immune system cells needed to fight off infection.

Your risk of heart disease is also dramatically affected by your attitudes towards other people. Hostility — the opposite of altruism — definitely multiplies your risk. And the University of Maryland's James Lynch finds that people who do not listen well to others — but just wait for a chance to answer back — tend to have higher blood pressure. Hypertension, he says, "is a communication problem." Dean Ornish, an internist at the University of California, San Francisco medical school, suggests that hostile heart patients get into a vicious cycle. Their hostility cuts them off from other people, which makes them more self-involved and hostile, which further isolates them from other people. To break the cycle, Dr. Ornish encourages patients to do things for others. For instance, he had two patients who disliked one another do each other's laundry. Such selfless acts, Ornish says, help reduce his patients' cholesterol levels and

continued on page 16

People Helping People

Geraldine Carter and Tami Opland played a big role in the success of this year's March of Dimes Walkathon in Atlanta. The Observer editor recently spent a few minutes talking with them about their accomplishments.

Ed: Geraldine, how did you manage to get \$518.00 committed to the March of Dimes?

Carter: The consultants were very generous. Most of the money came from them. I also asked for contributions from office supply salesmen, people at restaurants in Colony Square, post office attendants, people at church, even people I didn't know. Just about everyone I asked, gave.

Ed: Tami, you were co-chairperson with Neil Thall. Can you say a little about the fund-raising efforts generated by KSA?

Opland: We held a bake sale every day for two weeks. We also had a ticket raffle and a count-the-jellybeans contest. The jellybean count was the most successful.

Ed: Why did you get involved in the walk?

Opland: It was fun to engage in a little friendly competition with fellow KSA'ers. Whole families got involved. I was five months pregnant at the time, but during the Walk I saw people participating in wheelchairs and on crutches and I thought, "No problem, I can do this." There were good feelings all around.

Carter: The first year I couldn't walk because I was expecting a child. Last year, I couldn't wait to walk because I was so thankful that we had been blessed with a healthy baby. This year, I just wanted to top last year, because it's a good cause.

Do you know someone at KSA who is active in community service? We'd like to feature him or her in this column. Please submit names and a brief summary of activities to the Editor.



Tami Opland, left and Geraldine Carter.

KSA Pounds Pavement for March of Dimes

Ranks Second in Pledges for Category

In late April, 18 KSAers, 19 spouses and friends, and assorted pets walked 10 miles for the annual March of Dimes WalkAmerica in Atlanta. KSA raised \$4,342, which placed us second in pledges in the overall category of companies with 100-500 employees. *Geraldine Carter* brought in the largest individual pledge—\$518.00. Much of the money raised for the event came from office bake sales and contests coordinated by *Tami Opland*. (See related story on opposite page.)



Manufacturers Hanover Race Draws KSA's Best from New York

Led by whip-cracking Captain *Richard Hirsch* ("No candy bars allowed during training!"), seven hearty KSA runners entered the Manufacturer's Hanover 12th annual Corporate Challenge race in July, and finished in excellent time.

This popular national competition draws some of the toughest local runners and is divided into three events: a race for fast men (participants must be able to run a 7-minute mile), one for slow men (no KSA entrants here!) and a well-attended general women's race.

In weather hot enough to fry eggs on an adidas sneaker, our team tore through 3-1/2 miles of Central Park—much of it twisting,

uphill road. Undaunted by opposition from nearly 800 firms, including McKinsey and Booz-Allen & Hamilton, the KSA squad ran hard and in top form. The super crew included Regional Manager and former marathoner *Peter Brown*; Consultants *Dave McDonald* (our top finisher at 24:30), rapid *Jack Shelburne*, *Chad Mellen* (a 2-year Corporate Challenge veteran); Summer Associate *Joe Cannady*; and NPD Analysts *Rich Hirsch* and *Jessica Neighbor*. Strategy Analyst *Peter Glaser* snapped photos of the group in action and will run in future races.

The July event proved that corporate competition will never daunt a KSA team, even if it means facing 10,000 runners.



Left to Right: *Dave McDonald*, *Chad Mellen*, *Joe Cannady*, *Peter Glaser* (photographer), *Jack Shelburne*, *Rich Hirsch*, *Jessica Neighbor*, *Peter Brown*.

My Run in the Peachtree Road Race

by *Dianne Gunn*

Running in the Peachtree Road Race was the experience of a lifetime for me. I just started running last Christmas, so in 6-1/2 months, I went from almost dying after a quarter mile run, to almost dying after a 6.2 mile run.

I trained for the race by running 3 miles each day around noon in the 95^o+ temperature and 100%+ humidity, so I felt ready for anything.

On the morning of the race, my running partners, Don and Chris, and I positioned ourselves in the middle of the crowd of 25,000+ runners. Five and a half minutes after the race started, we were finally able to cross the starting line and begin the race.

The run along Peachtree Street during miles one and two was enjoyable. Bands played and people packed the sidewalks and rooftops of buildings — all to urge the runners on. I enjoyed the cheers and shouts of encouragement from friends along the sidewalk.

After mile two, the crowd of runners thinned, so when someone from the sidewalk shouted encouragement, they actually made eye contact with me and I knew they wanted me to finish the race. I was



At the celebration party at *Dave Cole's* house, *Dianne Gunn* accepts the Hippomenes Cup from last year's winner, *Don Burkhalter*.

thrilled to be running my first Peachtree.

"Heart Attack Hill" proved no real problem, but I wasn't prepared for miles four and five, which were entirely uphill.

At mile six, I began the descent from Colony Square into Piedmont Park and the finish line.

I crossed the line in just over 72 minutes

—barely able to walk, much less run.

At the celebration party, I found a chair and didn't move for the next two hours, except to receive the Hippomenes Cup for most improved runner in KSA.

Next year, I plan to take 20 minutes off my time.

“Imperturbable Turby” Celebrates 25 Years With KSA

Gerald Turbyfill appears to have achieved the ultimate success — a well-balanced career and personal life. To all his and *Catherine’s* (Cat’s) friends, this couple has what we admire.

There’s no pretense about Turby. When he attended the grueling Speakeasy training course with 11 KSA associates, he was the only person who emerged unscathed from his initial presentation. The rest of the attendees were chopped to pieces. The reason, the instructor said, was simple — he’s sincere and open (except maybe in tennis and bridge), and that quality is evident in his manner.

Affectionately known as Dean of KSA’s Lintheads, Turby knows textiles inside and out. He has unselfishly shared his body of knowledge with legions of KSAers who still benefit from his guidance.

For DuPont, Turby developed the most detailed textile cost models in existence. He is a renowned authority on textile manufacturing, worldwide.

Once, executives at a sales yarn mill placed a distress call to him. According to their projections, the mill would be out of business in 10 months. Turby restructured the mill to change products, and helped management select investments. The company reversed its performance, thanks to Turby.

On another assignment, Turby literally went around the world for a client. Turby said he knew he was in for a long flight when

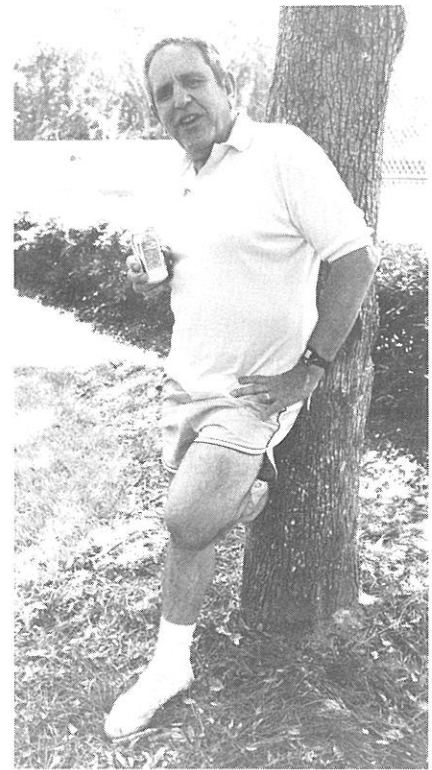
he saw six meals listed on his airline ticket.

A native son of North Carolina, Turby attended N.C. State where, as a walk-on for the Wolf Pack, he won a football scholarship, and played first-string guard. (His learning curve must have been remarkable; he didn’t play high school football.) Years after college, Turby made a proposal to the senior manufacturing manager at Cannon Mills who, coincidentally, attended N.C. State during Turby’s football career. The senior manager went home, found Turby’s photo in his college yearbook, and returned to work the next day to tell Turby, “Your three-point stance looks good. You’re hired.”

A savvy bridge and tennis player, Turby has been known to sandbag more than a few fellow consultants as he hobbled to the net just before a tie-breaker to plead mercy, then came back to annihilate his opponent. He tries to arrange a match wherever he goes and has probably played tennis on more continents than anyone in KSA.

A good tactical player in business as well as sports, Turby explores all types of investment opportunities. He is known for his investment astuteness.

For the past several years, Turby and Cat have invested a lot of time in their weekend home on Lake Hartwell. As collectors of primitive antiques, they’ve furnished the lake house with a wonderful mix of furniture from the period.



“Turby”

Turby is a proud father and grandfather. He and Cat have two daughters, one son, and five grandchildren. —Beth Souther

What’s Your Type?

Would you rather . . . celebrate with a whole crowd or just a few friends? . . . focus on facts or get an overall impression? . . . go with what “seems logical” or what “feels fair?” . . . keep to a schedule or keep your options open?

How you answer these questions is the very beginning of understanding who you are and how you relate to those around you, by using a method called Typewatching. Otto Kroeger (Kray’ ger) and Janet M. Thuesen developed Typewatching from the Myers-Briggs Type Indicator, which was derived from the work of Carl Jung.

Otto addressed the attendants of the Consultants’ Conference in an entertaining two-hour session on typewatching, during which he described eight personality indicators and how they combine to form one of 16 personality types.

Otto helped participants look at individual uniqueness as a strength, style as useful, and

perceptions as an asset.

As Otto talked, it became clear that an awareness of type can shed a positive light on seemingly impossible conflicts, unreconcilable differences, and personality conflicts.

Otto and Janet have written a book called *Type Talk*, which describes in detail the eight preferences and 16 personality types. Each participant at the conference received a copy of the book. If you did not attend the conference, borrow the book from someone who did. Spend a little time getting to know yourself and others through the lens of typewatching. Your time invested will be well spent.

Portions of this article were lifted from the book “Type Talk” by Otto Kroeger and Janet M. Thuesen.



Otto Kroeger

Beyond Self

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chest pains.

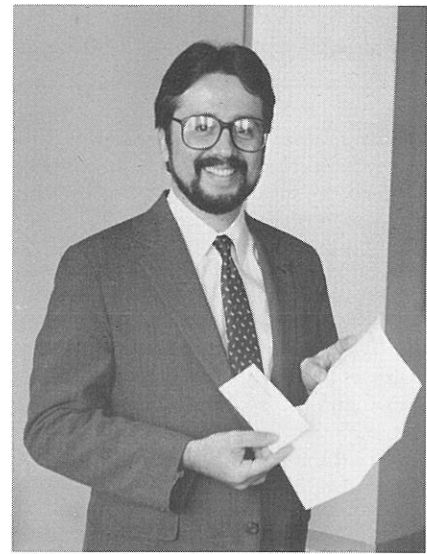
Some will resist the notion that altruism is a form of selfishness; science, they may feel, is depriving humanity of something noble. To profit by doing something nice for someone might seem to cheapen the act. But the reality is that we are first and foremost a communal species, designed by nature to be utterly dependent upon our neighbors. If helping a neighbor is in our own best interest, so much the better.

Samuel Butler said it best in *The Way of All Flesh*: Virtue, like gold, is stronger when alloyed with a baser metal. In these tough times, we need to develop plenty of virtuous strength — even if it takes a little enlightened selfishness to drive us.

Reprinted from *American Health*, March, 1988. Article written by Allan Luks, executive director of the Institute for the Advancement of Health in New York, and Eileen Rockefeller Growald, founder and president of the institute.



Just about everyone in the Atlanta Office gathered recently to honor *Geraldine Carter* (in center, holding toy bus) who was named top school bus driver out of 300 drivers in Fulton County, Georgia. Geraldine shuttles kids in the morning and afternoon, in addition to her duties in the AO apartment and mailroom. KSA treated Geraldine and husband, *Kevin*, who also works for KSA, to a night on the town.



Fernando Silva with The Check that brought KSA employees a little Christmas in July.

From the Publisher

Thanks to all of you who filled out and returned the *Observer* Reader Survey.

The results were encouraging as well as enlightening. Here are some highlights.

60% of you read all of the material in each issue.

42% want more coverage of regional activities.

49% want more descriptions of new services.

30% want less coverage of sports participation (53% felt the coverage was about right.)

38% want more stories on consultants' most interesting assignments.

47% want to hear more from KSA spouses.

Most of you feel the number of issues per year, and pages per issue, are about right.

Many of you took the time to add favorable comments, constructive criticism, make suggestions, and let off steam. We appreciate all comments and will attempt to incorporate as many of your suggestions as possible in future issues.

Here is the comment we heard most often: "There is too much coverage about one service group or office, and not enough coverage on smaller offices and field work." Our response: If you send it in, we'll consider it. We send a memo requesting input to *Observer* correspondents two months prior to the mail date of each issue. Correspondents include office managers, regional and service group managers and other selected individuals. We welcome your input and ideas for articles.

That leads us to another comment: "I sent it, but you didn't print it." There are several possible reasons for that. Some material is not suitable for the *Observer* or material can only be used if it is rewritten, and sometimes we just don't have enough time. Some material must be cut at the last minute because of space restraints.

Here's another: "You rewrote it, and I didn't like it." In the future, authors will receive an edited version of their article for final approval before it is printed in the *Observer*. Fair enough?

Reader Survey Results

As KSA gets bigger and more geographically dispersed, the *Observer* continues to be the best tool we have for keeping in touch with each other.

The *Observer* staff will continue to work at making the *Observer* an accurate barometer of KSA's corporate and family cultures.

— *Bill Cameron*



New York News

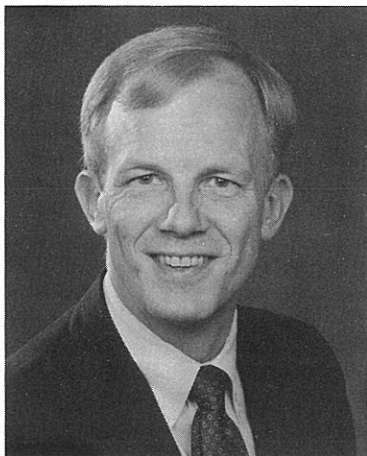
The air is heavy with expectation in the outer reaches of the New York office where Strategy and KSA/NPD folks hang out. In those no longer still waters, no fewer than three women employees have recently had, or are expecting, a child. They include (L to R): *Kathryn Nunery*, who delivered a son in August, *Lisa Eustace*, and *Kathleen Mercer*.

Transition

Peter Cleaveland has joined Duty Free Shoppers in Honolulu, where he will help manage a major capital improvement program over the next few years.

During his fifteen years with KSA, Peter was a major contributor to our Distribution and Retail industry practices. He was the lead principal on many important projects and contributed significantly to development of a number of the members of the firm.

We will miss Peter's consulting contributions and will feel the loss equally on those many KSA social occasions where Pete and Licia added so much to everyone's enjoyment. We wish the Cleavelands success and happiness.



Cleaveland

At a farewell gathering in their honor, Pete and Licia presented KSA with a framed version of this poem, which now hangs in the Distribution area of the Atlanta office.

Dear KSA,

How do we love thee? Let us count the ways.

We love thee:

For sending us to unwanted destinations

Because we learned new truths and shed old prejudices.

For seven moves in fourteen months

Because it gave us the opportunity to become adaptable, flexible and adventuresome.

For early birds and red eyes

Because we developed the ability to sleep anywhere.

For all the times we were apart

Because it brought us together.

For projects with Nigel, Jack Ullman, Jack Fitzsimmons, Bob, Tony and — most importantly — Dave

Because we learned best from examples.

For clients like Lazarus, Zamoiski and Saturdays

Because Professionalism — like steel — is created by fire.

For Walk-America (KSA style)

Because we learned giving is fun, while buying beer on the run.

For the chaos that is the Atlanta Office

Because it was our base camp — with rich supplies of warmth, strength and camaraderie.

For the opportunity to work with Gary, John, Todd, Roger and Steve

Because their enthusiasm made our work fun.

For those impromptu KSA overnight guests

Because they became a part of our family.

For clients like Dave Stephens, Tania Modic and Clarence DeMattos

Because they created the environment for success.

For California

Because we are not the same.

For KSA

Because you provided us with a "chosen family" all over the globe.

For You

Because You are KSA

With love,

Pete, Licia, Gary, Audra

May 21, 1988

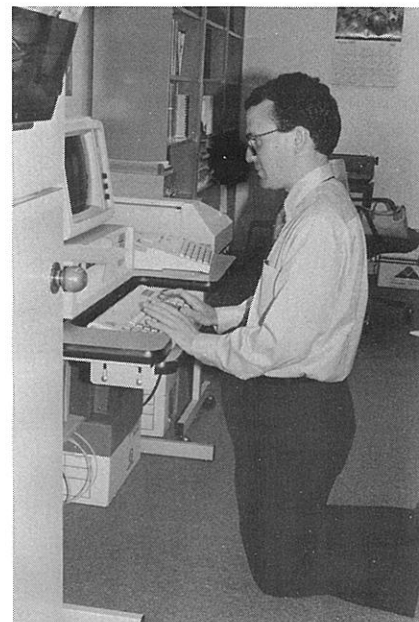
Update

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All three teams are moving their projects from the equipment installation phase into engineering and training. They are doing this with the support of KSoft microsystems, PLATO (Socrates is fluent in Russian) and KSDII. Project completion is planned for July 1989.

There are good prospects for future business. *Peter Voget* is leading the proposals effort. He has full-time assistance from *Nichola Taylor* and part-time help from *Rod Gunston* and from several of the USSR project team. They are working on 14 or 15 proposals for projects in Leningrad, the Baltic Republics, White Russia, the Moscow region and the Black Sea region. The total value of the proposals will be over 100 million dollars, of which consulting assistance will be around 20 million dollars. We are working hard to convert a sizeable proportion of this into sales for KSA.

— Alan Braithwaite



We know how he feels. Ever cross your fingers and toes or appeal to a Higher Power just before striking that critical "Enter" key? It appears that *Leonard Nash*, a new strategy analyst in Atlanta has adopted the "pray as you go" approach to computerized research. It apparently paid off in this case — Lenny found what he was looking for.

Notable Quote

"Don't worry about what other people think of you — they're too busy worrying about what you think of them."

"Experience is not what happens to you; it is what you do with what happens to you."

Communications

Measuring Publicity by the Foot

During the past six months, the Communications Department has been as busy as any of us can remember.

We completed the Apparel, Textile and Footwear Profiles, conducted the financial breakfast on May 25, then packed our slide trays and headed for Amelia on the 27th. While there, we supervised, among other things, 24 slide presentations, and discovered the best way to remount paper slides to glass (with our fingernails and an L.L. Bean Army knife). Not one slide got stuck in the projector. How did that happen? We don't know.

We came back to New York in time to present a major speech at the Private Label Expo on June 2, then started work on the Retail 100, KSA's newest Profile entry.

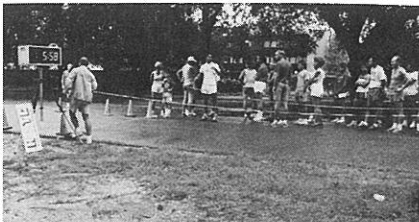
We've completed minor projects for the Hosiery and Knitwear groups, developed a VAMPPM, centralized our mailing lists in Princeton, exhibited at the AHA Show and sponsored a fun run in New Orleans, and given several other speeches.

One of the measures of the value of publicity in print is to multiply the length of an article by the advertising rate of that publication. For instance, if KSA is mentioned in a 9" long article in the Wall Street Journal and its advertising rate is \$535.00 per column inch, then we say KSA has received over \$4,800 worth of free advertising. Well, folks, for the financial breakfast/Profiles alone, we received over 20 column FEET of press coverage, which is probably the greatest amount of coverage KSA has ever generated from one event.

KSA also garnered heavy duty press coverage on private label and modular manufacturing.

The Bobbin Show is in progress as this *Observer* goes to press. It will be covered in the next issue. Now, it's on to the health care CEO survey, ARC and AAMA meetings/speeches in October and November, and the '89 Soft Goods Outlook in December.

Are we having fun yet? You bet. —JR



Runners line up for the annual KSA-sponsored fun run at the AHA convention in New Orleans.

New Senior Consultants

Kathryn Larcombe joined KSA/UK's Strategy Group in 1986 and has undertaken several market research projects, most recently for the Northern Ireland Development Board, and in India.

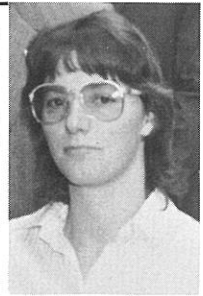
Brian Nielson joined the UK Operations Group in 1984 and has worked on several projects in Northern Ireland and Scotland. At present he is working on the Minsk project in the USSR.

Lanell Stanley joined KSA/USA's Strategy Services Group in 1986. She has worked with many clients, including Pendleton, Dillard's, Coca Cola, Dow Chemical, and Louisville Bedding.

Richard Symes has worked on a variety of cutting and sewing room projects on products ranging from rucksacs to nuclear, biological, chemical warfare barrier suits. He joined KSA/UK in January, 1986.

Richard Traish joined KSA/UK in 1986. He has since worked predominantly in Operations, undertaking planning and implementation projects for clients such as Laura Ashley, Jaeger, and Sketchley. Richard has developed expertise in Home Consumer Products through helping Coloroll reorganize major sections of their Home Furnishings Division. Within PCP, if you want to know how to make a pair of sports trousers in less than 20 minutes, Richard is your man.

Tony Thwaites joined KSA/UK in January, 1986, and after a brief stay in Operations, moved on to Merchandise Control. He is currently working on a large project for Harrods in London. He has also worked on projects for Marks and Spencer and Coats Viyella.



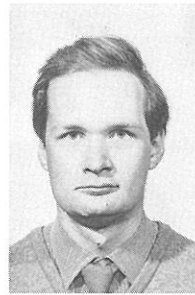
Larcombe



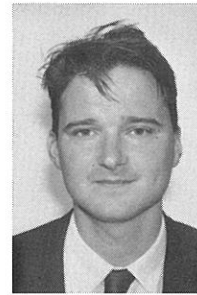
Nielson



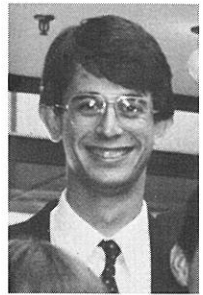
Stanley



Symes



Traish



Thwaites

New Principal

Tony Smith re-joined KSA in 1987 as a Senior Consultant, working primarily in the Control Division. He is currently project manager for Minsk (USSR), Harrod's and the Peter England shirt factory in Northern Ireland. (No photo available.)

Promotion

Jenny Dearnaley has been appointed software consultant after joining KSA/UK as a systems analyst in 1984. Jenny has worked on many projects within KSoft in the last four years, including a comprehensive MRP system for a client in Northern Ireland.



Dearnaley

Milestones

Congratulations to

Tony and Gill Smith on the birth of a son, *Alistair*, in December of last year.

Steve and Ruth Montgomery on the birth of a son, *Robin*, in February.

Linda and Tom Ortwein on the birth of a daughter, *Jessica*, March 16.

Tami and Keith Opland on the birth of a son, *Alexander Dale*, August 5.

Kathryn and Lawrence Nunery on the birth of a son, *Justin*, August 10.

Mary White and Bob Mann on the birth of a daughter, *Kimberly Elizabeth*, August 10.

Chuck and Mitzi Gilreath on the birth of a son, *Philip Austin*, August 13.

Torre and Colleen Crupie on the birth of a son, *Peter James*, August 24.

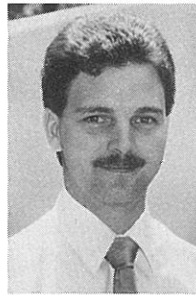
New Staff



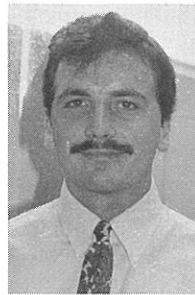
Blackstock



Burkes



Hanson



Hayes

Gina Blackstock, Dept. T. Gina joined KSA in September of 1987, and has worked closely with Judy Whitehead in the area of payroll and benefits. She is now responsible for all payroll and medical insurance items. Gina has held positions in accounts receivable and payroll at a Coca Cola bottling plant, and was head cashier and bookkeeper for a regional grocery store chain.

Gina has two daughters, *Erica* and *Erin* and enjoys aerobics and swimming.

Ashley Burkes, Word Processing. Ashley has held secretarial positions in the legal, estate planning and personnel areas. She was the owner of a boutique in the New Orleans area for nine years. Ashley has been active in community organizations and was elected New Orleans Business and Professional Women's "Woman of the Year."

Barry Hanson, CAD/Graphics Analyst. Barry is from Fort Valley, Georgia, and lived in Atlanta while attending the Industrial Design school at Georgia Tech. He and his wife, *Michelle*, are expecting their first child any minute.

In addition to his inclination for design, Barry is an avid outdoorsman. He has also given fair warning of his Black Belt in Tae Kwon Do, so be sure to say "please" when it's deadline time.

Chris Hayes, AA, HSD. Chris is a 1987 journalism graduate of West Georgia College. While at school, Chris was editor of the school newspaper, a disc jockey on the college radio station, and was active with the college theater. Since graduation, he has been a sales assistant with Atlanta Magazine.

Deborah Jolly, AA, Distribution. Deborah and her husband moved to Atlanta from St. Louis, where she was employed as a secretary at General Electric.

Deborah is a graduate of the University of Texas and also attended State University of New York.

Princess Rudd, AA, Communications/Operations. Princess comes to us from Tarkenton and Hughes Advertising where she was office manager. She and her husband, *Steve* moved to Atlanta just over a year ago.

Princess studied for two years at Oral Roberts University, majoring in Communications Arts.

Colette Taylor, Dept. T. Colette has assumed responsibility for BI and expense report editing, consultant relocation and moves, company car leasing and other travel related matters, including AMEX charges and Avis rentals.

Colette comes from Reliance Trust Company, a Georgia Credit Union, where she was head teller and responsible for posting payroll deductions to the credit union accounts. Colette, husband, *Mark*, and daughter *Kristi* live in Norcross.



Jolly



Rudd



Taylor

FYI: Garment Dyeing Creates Fashion Flexibility

The trends in the marketplace toward a leisurely washed or distressed look along with the sway toward 100% cotton fabrics have expanded the garment dyeing business and established it in firm competition with piece-dyed apparel.

Until recently, most garments were assembled from pre-dyed piece goods or fabrics. However, some of today's apparel is receiving treatments after assembly to give it a high-fashion look. These treatments range from stonewashing to dyeing and bleaching, as well as any combination of the three.

The advantage of garment dyeing over piece dyeing does not really lie within the dyeing and finishing process but rather in its flexibility and quick response to fashion demands. In fact, the same care and time must be given to planning, dyeing procedures and methods as with piece-goods dyeing.

However, garment dyeing provides retailers with some distinct advantages — advantages and savings that benefit the consumer as well. Some include quicker response, enabling stores to replenish their stocks more rapidly; less costly closeouts, which maximize sales; small lot dyeing, which allows stores to supplement base shades with high-selling trendy shades; minimal shade difference between knits and wovens; better color coordination between items, such as pants and shirts; and less investment in inventories.

The verdict is still out as to the long-term implications of the garment wet processing industry in the United States. Unquestionably, quick response and fashion trends are the main ingredients fueling the fire and reviving this process, but an overall improvement in process techniques will challenge this industry in the future. Consumers are demanding better quality (i.e., garments that shrink less; proper sewing threads that will absorb the dye and withstand the process; metal buttons, zippers and rivets that will not rust; dye-resistant labels; better sewing techniques to prevent seconds; and consistency of fabric), and this certainly is not expected to change.

Many changes already have been put into place to improve garment dyeing and many new developments, which will make this process more cost-competitive, are on the horizon. With these new innovations, garment dyeing offers an alternative to meet whatever appearance the fashion industry requires.

Reprinted from the June, 1988 newsletter of the AAMA Consumer Affairs Committee.

See Bill Reed in KSA's Atlanta office for a broader discussion of garment dyeing.

**Next deadline for submitting
Observer copy is November 14.**