

The KSA Observer

PUBLISHED BY AND FOR THE EMPLOYEES OF KURT SALMON ASSOCIATES

Small apparel company "awash" in productivity gains and cost reductions after help from KSA

In late 1991, *Ken Wilkes* contacted Sun Apparel, a little-known company in El Paso, Texas. Ken passed along the lead to *Jerry Armfield*, who presented a proposal in January 1992, and in characteristically persistent fashion, pursued the client until the survey was authorized and completed in October of 1992. This time delay between KSA's proposal and actual completion of the survey was caused by several internal improve-

ment projects that Sun had underway.

In October, *Jerry* and *Paul Raines*, began an in-depth (no pun intended) analysis of the wet processing and dry processing area at Sun Apparel's Greater Texas Finishing facility. The two quickly realized that this environment was not the place for Gucci loafers, but one that required quick feet (preferably shod with galoshes), some innovative engineering, and a fluent

Spanish language capability. They became known to the locals as "El maestro

y el gran saltamontes,"

which translates loosely to "The teacher and the big grasshopper."

KSA's analysis indicated serious problems with productivity, cost, and the inability to ship completed cuts on time. The major culprit in this process was a repair level ranging from 10–20% on garments going through the washing processes in El Paso. The client was very skeptical about the improvement opportunities identified, but *Jerry*, using his unique ability for telepathic communication with clients (the "Carolina Mind Meld"), saved the day.

In November, *Paul* and *Gerson Coto*, a KSA Americas consultant, began implementing modules in the post pressing area. This area included inspection, repairs, tagging, and folding of garments after pressing. Though *Gerson* was called on to work multi-shifts, he and the team selected by Sun were able to implement some 22 modules in a six-month period. The net results were: **an approximate 40% improvement in productivity, cost reductions in the range of \$1 million per year, increased earnings for employees on the order of 12–15% and the ability to complete cuts on time and deliver with minimum interruptions.** A side benefit is that the modules complete individual cuts and are now able to classify and charge back defects to the

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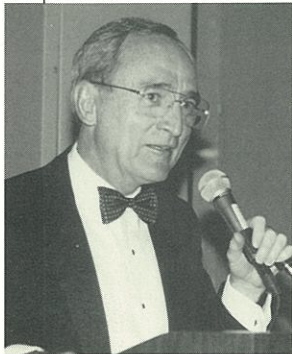
Who is Sun Apparel?

A private label producer of men's and ladies' jeans supplying primarily discounters and specialty retailers. Current unit volume is about 17 million pair per year, produced mainly in Mexico by about 20 contractors. Sun has a unique approach to fashion using a finishing process to convert basic denim jeans into unusual finishes and colors.

KSA's Journey

Highlights of Dave Cole's address to attendees of the 1993 North American Consultants' Conference

Dave reviewed KSA's past 10 years and our vision and mission for the future. Revenues from 1982 to 1992 almost tripled in actual dollars, and doubled in constant dollars. In 1993, KSA is ahead of budget in every practice sector—Europe, North America, Far East, and our subsidiaries in ACS and SSC.



“Our markets have expanded. KSA can boast the blue ribbon clients in retailing, direct marketing, and publishing. Hamilton/KSA is the nation's leading health care consulting practice in strategy and facilities.

“Our geographic scope has expanded. We've added a foundation in Asia, a critical strategic linkage for North American and

European clients, and a Latin American focal point with the Miami office.

“In Europe, the base established in the UK and Germany, by far-sighted predecessors, has been broadened and more than doubled in constant dollars, and is in the early stages of operating on a pan-European basis.

“Our services have broadened substantially. We have added strategic services in each practice area to complement our prior tactical strategy.

“KSA's reputation and impact have been heralded throughout the world. A world-wide publication, *The State of the Profession in 1990* noted, ‘The consulting firms having their own culture and distinctive brand image have it within themselves to march on with comparative ease to much bigger things. Examples include Kurt Salmon Associates.’ Due to our successful efforts, only KSA and two other firms were named.

“KSA's impact and reputation is due to the quality of work you are delivering, the results you are achieving and the thought leadership you are providing to transform entire industries. We regularly receive letters and calls from clients praising the impact of your work. In the past months, I've heard the following comment from three different clients in three different markets: *‘That was the best consulting project I have ever seen.’*

Path to Future Success

“We have created a wide and exciting future, and have moved from a path choked with the vines of a declining market, to a clearing of multi-faceted opportunity, due to your collective efforts. For example:

- The Health Services Division has been transformed, and has additional opportunity in operations, systems, multi-hospital strategy, and international expansion.
- Distribution and logistics have expanded from apparel to all consumer products, to retail, to publishing, and have the opportunity for numerous other areas.
- White-collar productivity work in direct marketing has many options for growth.
- The information technology practice, with strong methodologies, project management skills and technical knowledge, has unlimited opportunity. It serves companies on *Fortune* magazine's list of the 10 best managed in America, as does the logistics practice.

•Consumer Products Group services in change management, business process re-engineering, and corporate finance are early in their growth curve.

“Every client, everywhere, needs to institute change, re-engineer processes, focus strategies, access better information, and streamline logistics flow. *What a fabulous opportunity.* Our clients are in a turbulent, unstable, competitive environment that augurs well for the consulting profession.

“At some point during the past twelve years, due to short-term pressures, someone wanted the firm to abandon almost every practice or region represented here today because of then-present obstacles.

“I am reminded of the following quote by Hannah Moore: ‘Obstacles are those frightful things you see when you take your eyes off the goal.’

“Building any practice requires overcoming obstacles. We must take the long view. You have done that in every service area and region. Today there is nothing of significance in our service and market mix that does not have a bright future.

“As we collectively select among options for growth, we will build on the framework of our core Mission, Vision and Strategy, which more than 40 of you worked diligently to review, revise, and rejuvenate last year.”

Our Mission

- To enable our clients to develop and sustain outstanding performance by delivering innovative, high value services.
- To provide our colleagues with superior rewards and the opportunities to fully develop their capabilities.
- To provide our shareholders with superior return on their investment.

Our Vision

- To be the leading global management consulting firm producing high-value results for our clients in the consumer products, retail, and health care sectors.

It is our challenge to breathe life into our mission, vision and strategy every day.

Anatomy of a Conference

The 1993 KSA North American Consultants' Conference was an event "by the people, for the people, and of the people." Early on, *Barry Moore*, architect of the event, established two committees, recreation and program, to set the course of the weekend's activities, (and to spread the blame if the Conference was a disaster). One of his first company-wide memos set the tone. He wrote, "to provide a setting for fun and relaxation, and the opportunity for consultants and spouses to get to know other KSAers in a relaxed, informal atmosphere."

"What! No 14 hours' worth of meetings sandwiched into 8," one skeptic asked. Then a rumor was born. Word had it that both Barry and *Dave Cole* decreed there would be no 4-inch thick conference notebooks, and they wanted the agenda to be so simple that it would fit on a 4x6 card. One suspicious consultant said she wanted to look in Dave's and Barry's eyes, and say, "Who are you and what have you done with Dave and Barry?" Who were these impostors who looked just like them?

As the committees began their work, each had a list of weighty and not-so-weighty issues. The recreation committee, led by *Laura Ferguson*, was charged with finding the right balance of events to fit everybody's needs without causing "jock fatigue." How would the most logical of individuals choose among *Gary Catherman's* boating, *Fernando Silva's* sailing, *Laura's* Fun Run, *Don Burkhalter's* golf tournament, *Ike Myer's* volleyball and *Brian O'Malley's* tennis?

The program committee, led by *Peter Harding*, hammered out timing details and shared videotapes and biographies to choose a guest speaker. Two of the program committee's most significant decisions were to: 1) select

a dance band, and 2) purchase appropriate souvenirs.

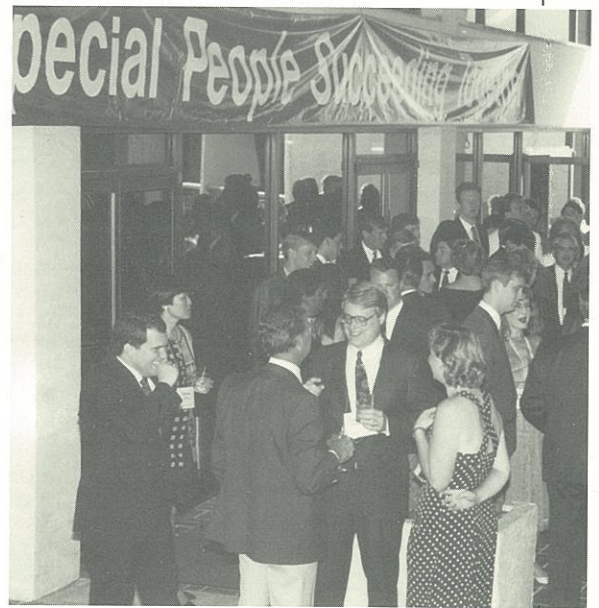
Program committee member *Ken Wilkes* established his position when he declared, "If we don't pick Booker T. and the M.G.'s, the other choice had better be really good." (If you are a consultant under the age of 35, ask a consultant over the age of 35 to tell you who Booker T. is.) Criteria for the dance band was pretty straightforward . . . danceable, dependable, sober.

The program committee's other ponderous decision was to select the appropriate gifts for all attendees. *Susan Hann*, committee member, said it was important to pick items that were tasteful, unisex, suitable for both consultant and spouse, and affordable. *Phil Kowalczyk* led the effort to find tasteful gifts at a ridiculous discount through our client contacts. A generous sized L.L. Bean boat/tote bag and leather Schlesinger portfolio were the committee's final selections.

With details set by committees, *Libby Morgan* and her crew, *Tami Opland* and *Denise Trostle*, began the arduous task of coordinating every detail from menus to baby cribs.

A brisk wind made Friday evening's outdoor cocktail party feel more like a Maine lobster roast than a late spring evening in Georgia, and Libby made the first of many excellent strategic decisions: Move the party indoors. The weather was so unseasonably chilly that one spouse said when he packed his clothes, he never dreamed he'd be wearing all of them at one time.

For dedicated runners, dawn of Saturday morning offered a 3.1 mile Fun Run, won by *Paul Furbish*, who was clocked at 18:52. At a more reasonable morning hour, the main session



began with a multimedia presentation of The Faces of KSA, addresses by Dave Cole and Barry Moore, and the keynote presentation by Tom Riskas of the Covey Leadership Institute, best known for Steven Covey's book, "The Seven Habits of Highly Effective People."

Saturday afternoon and evening included recreation, lively dinner conversation, another slide show capturing the weekend's activities, and a dance. One guest observed that KSAers are as intense about their fun as they are about their work.

Sunday morning was filled with service group meetings creatively planned to deliver a powerful, informative message to guests and new employees, as well as to seasoned consultants. Around noon, KSAers began saying goodbye to new friends and to colleagues some hadn't seen since orientation class. They grabbed boxed lunches, boarded buses for the airport and exchanged promises to stay in touch.

Note: Because Barry Moore's speech at the Consultants' Conference related to the strategy of the Firm, it is being distributed separately to all KSA/North America staff.

contractors responsible.

With this project completed in April, the client again called KSA for help with some major problems in quality. Defect levels in Mexico and El Paso were becoming greater problems as the level of diversity increased between the factories. Paul assembled a team of *Juan Echeverry*, *Miguel Montero*, and *Juan Corta* to assist in implementing a quality restructuring program in El Paso and Torreón, Mexico. The focus included development of specifications for direct labor operations and the implementation of these specs throughout Sun Apparel's contractor network. Juan Corta relocated to Torreón to work full time with the Mexican contractors, while Miguel gave up the bright lights of New York and Atlanta and focused primarily on the sample department in El Paso. **Miguel was able to re-engineer the sample process and reduce the sample lead time from three days to less than one day while, at the same time, increasing productivity by about 80%.** While Juan Corta was writing and implementing quality specifications for the Mexican contractors in Torreón, 18 auditors were trained to judge performance on these specifications and the client now has accurate quality performance reporting from all the contractors. Juan Echeverry directed these efforts and, at the same time, coordinated the quality focus back in El Paso. To date, these programs have been extended throughout cutting in El Paso.

While the quality restructuring program was underway, the sampling in the cutting room identified significant waste recovery opportunities in material utilization. Juan Echeverry, with the help of *Nort Eberly*, identified between 4-1/2 to 5-1/2% material recovery in the El Paso cutting room. The client asked Nort to begin work immediately. **This effort, underway only about two months, is recovering savings of approximately \$600,000 per year. Total savings, by the time this program is completed, should run in the vicinity of \$3 million per year.**

The KSA team has responded quickly to provide a high-quality service to a client operating in a very unique and difficult situation.

Sun Apparel thrives on flexibility, but had grown so much that systems, controls, and procedures were drastically needed to maintain the business. We provided a unique blend of services to achieve optimum results in a very limited window of opportunity.

What is KSA Americas? you ask. It is a vehicle to pursue and implement KSA's strategy in serving its clients in the region, and its goal is to make KSA more competitive relative to the market.

Coming to a health care provider near you: *The Ideal Patient Encounter (IPE)SM—The Video*

By Curtis Skolnick

Last year, an issue of *The KSA Observer* chronicled Hamilton/KSA's work with Johns Hopkins to develop the Ideal Patient Encounter (IPE)SM. *Bucky Knowles* and I recently traded in our consulting hats and calculators to become producers-for-a-day for "The Ideal Patient Encounter—The Video" at the Johns Hopkins Outpatient Center.

The idea for the video came to us when we saw the KSA Polo-Ralph Lauren video on DCMS. Our video details an outpatient visit focusing, not on the clinical aspects, but on the operational components of the visit. The Ideal Patient EncounterSM is defined as an outpatient visit where the patient should spend more time within the clinical care components (exam, testing, etc.) of the patient encounter than the non-clinical components (registration, waiting, etc.). A rule of thumb is that no more than 50% of the patient's time should be spent in the non-clinical components.

Ambulatory care providers are looking for the right mix of strategy, facility, and operational improvement. The video will be used by Hamilton/KSA as a valuable mar-

keting tool while Johns Hopkins will use it as an effective addition to its Patient Service Coordinator training classes.

Actual Johns Hopkins personnel were used in the video to perform their tasks. The initial product was a two-hour tape of raw footage. That footage will be edited, graphics included, and voice-overs added to describe some of the scenes. The final product will be a fifteen minute tape to show potential clients.

Operationally, improvement geared towards achieving the IPESM is already underway at the Medical University of South Carolina in Charleston and several potential sales are in the pipeline. The video is a testimonial to how clinical service built around the IPESM can improve operations.

Steve Lipstein, Administrative Director for Outpatient Services at the Johns Hopkins Outpatient Center, stated in the video, "Hamilton/KSA gave us an initial benchmark against which we could measure and improve performance. We've come a long way in the last year, and through tools like the Ideal Patient Encounter,SM we can take that progress even further."

No foolin'! Doris Oakley celebrates 25th anniversary with KSA

Doris Oakley marked her 25th anniversary with KSA on April Fool's Day, 1993. During her tenure with KSA she has coped with a wide range of KSA consultants, from *Karl Striegel*, to the hosiery group that was at one time headquartered in GSO under *Bob Solomon*, to a software development group headed by *Wesley Reese*, to her current mantle that she has to support under *Jerry Armfield* and *John Wilcox*.

Doris was trained in consulting at Burlington Industries, where she knew Bob Solomon. After that, she came to KSA and worked for a brief time under the shadow of the legendary *Miss Virginia Jackson*, who was the Original AA in the GSO office, but since Miss Virginia's retirement, Doris has been the one to hold down the fort. While the GSO has never been a huge office in terms of settled principals and staff, it has always been an office where many clients and KSA consultants pass through while conducting business in the apparel/textile and furniture industries in the North Carolina area.

Doris has always been very supportive and innovative in the use of technology. She pushed the GSO consultants to use the dictating equipment, then computers in the early Radio Shack days (she really suffered through *that*), fax machines, upgraded versions of Xerox machines, and voice mail. She has always welcomed these new advances and helps us adapt to them.

Doris lives in a house on a wonderful lake in Summerfield, North Carolina with her husband, *Bill*, (who has been known to beat a lot of KSAers on the golf course) and a

number of dogs that she has accumulated over the years.

Some of her friends are celebrating Doris's anniversary with a party on September 17. This will include, not only current KSAers, but retired ones as well—*Ed Owen*, *Karl* and *Jane Striegel*, and *Margaret Malburg*, among others. KSA will present Doris with a long-desired keyboard. (Doris is the music director, choir-master, and head of the administrative board at her church.)

Congratulations, Doris!

Smile!

Randy Moore was recently photographed at the historic ground-breaking ceremonies for Key Industries in Ft. Scott, Kansas. His picture appeared on the front page of the *Fort Scott Tribune*. The building will be 126,000 sq. ft. and will cost \$4.3M. KSA is completing preliminary systems requirements as well as the facility design for Key Industries. The work has the the potential for continued assistance in implementation or perhaps DCMS, Jr.

It's all in a day's vacation for Peter Voget

Peter Voget spent two days of his vacation in July making a pre-paid sales visit to Karatex in Buenos Aires, Argentina.

Karatex is one of the largest textile firms in Argentina, with 1,000+ employees producing sales yarn, flat weaving, warp knitting, carpet yarn, tufting, sheets and towels, and two finishing plants. Argentina is currently in the first phase of the MERCOSUR trade agreement with Brazil, Paraguay, and Uruguay, and Karatex would like to understand its competitive position, especially with Brazil.

Peter first met with Arturo Karagozlu, co-owner of the second-generation Lebanese textile manufacturing company, in Atlanta, where they discussed a benchmarking study for this very diverse company.

After their first meeting, Peter again saw Mr. Karagozlu at the ATME in South Carolina. After more conversations with Peter, Mr. Karagozlu insisted Peter visit the Karatex facilities, which Peter agreed

to do while on his already-arranged vacation in South America.

When Peter arrived in Buenos Aires, he was whisked away in a private plane to Monte Caseros, 600 miles north, to a yarn mill. Next, they went 400 miles west to another facility in La Rioja where Karatex does flat weaving, warp knitting, finishing and printing and some sheets and towels. Then, back to Buenos Aires—1700 miles in one day.

The second day, Peter toured their finishing facility and met the first generation owner, Arturo's father. Peter knew this would be the acid test before they made a final decision to use KSA.

Needless to say, Peter passed and at the conclusion of their meeting, they approved an additional day of brainstorming for \$5,000 which brought the total sale to \$90,000. Karatex has signed the authorization and sent in the first payment. All in a day's work (or vacation!) for a KSA consultant!

Herb Buchanan survives the “Tour de Forge”

It is not a race that Greg Lemond, Andy Hempstead, Lance Armstrong, or even Miguel Indurain can win. It does not take its riders through the beautiful mountains of Spain and France, nor does it end on the elegant Champs Élysées. The winner does not receive an authentic yellow jersey, lucrative endorsement contracts, nor world renown. What, then, makes the Tour de Forge, a 170+ mile cycling sojourn through the rural hills of Maryland and eastern Pennsylvania, worth riding (and why would inquiring KSA Observer readers want to hear about it)? This Tour is a fund raising, two-day trip over back roads, through farmland and unspoiled Amish country. The primary goal is to raise money for a private, Christian (Seventh Day Adventist) boarding school in Pennsylvania. This school, Pine Forge Academy, is one of only two African-American boarding schools in existence, and has produced as many physicians, lawyers, and other professionals per capita as have the more famous New England Phillips Academies.

The secondary goal (really, it is secondary) is to test the mettle, training levels, endurance, ability, and camaraderie of the Washington, D.C. based Horizon Cycle Club. Each year the club, including Herb Buchanan (Facilities Planning, HSD) of the Fairfax, Virginia office, trains, solicits pledges, and sets out on a trip that begins in Washington, D.C. and ends in historic Pine Forge, Pennsylvania. Pine Forge is a quiet little town in the mountains, an hour west of Philadelphia, and is, of course, the home of Pine Forge Academy. For shopping and distribution buffs, it is a half-hour away from the outlet haven of Reading, Pennsylvania. For history buffs, it was one of the stops along the

famous Underground Railroad that led hundreds of slaves to freedom from the South.

Each summer, I disappear from the stressful, high powered, fast paced world of health care consulting to spend two peaceful, relaxing days among the cows, goats, and horse-drawn buggies in the Pennsylvania hills. Just a small cycling sacrifice for the hard working students and educators at the Academy, and tomorrow's leaders (and clients). See ya on the road!

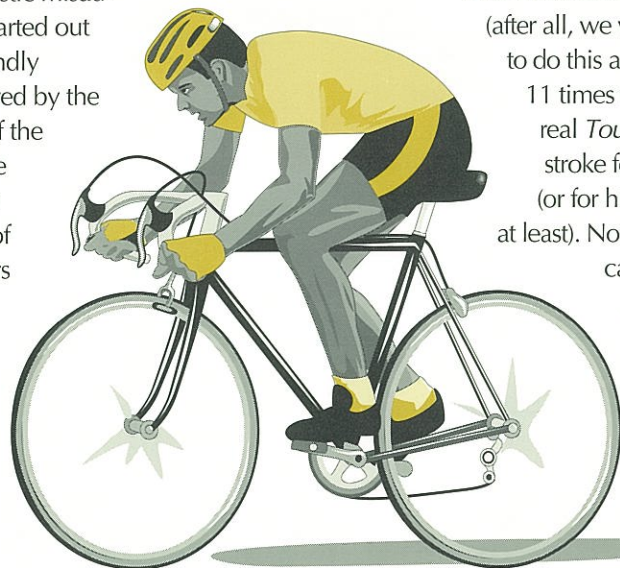
Editor's Note: We didn't buy the "peaceful and relaxing" part of this story, so after a little probing (and threatening not to run the story) we persuaded Herb to tell us what it was really like to participate in the Tour de Forge.

Day 1 started at the crack of dawn, and after two days of “carbo-loading” (i.e., eating more pasta than the Corleones in the *Godfather* trilogy) and “hydrating” (swallowing enough water to float the QEII), the only trip I wanted to make was to the latrine! Nonetheless, I mounted my trusty two-wheeler and pondered the miles ahead (wondering who talked me into this masochistic misadventure). I started out in a big, friendly group, inspired by the fellowship of the *peleton*. (The cycling term for a group of riders.) Hours later, I was miles behind the leaders, alone with my thoughts,

hallucinations, insecurities, and of course, my cramps (maybe I should have taken those Advils I was offered). Well, it's for a good cause, I remind myself. Each mile means another dollar (or five or ten) toward the education of those kids who are already smart enough to get a *ride* up to campus. The comfort of the support vehicles, toting bananas, grapes, nuts, figs, Gatorade, and more water, kept me going 'til the day ended. And after a night of, you guessed it, more pasta and a state of sleep that approached a coma, I was prepared for Day 2.

Day 2: A hearty breakfast and I was road ready. Spinning through the flats, climbing the hills like a pro, dodging passing trucks, and passing those trademark buggies like they were standing still, I began to think I could really make it. Then, after climbing more hills than I ever imagined (why are there always more uphill than downhill?) and riding through “The Furnace,” (a national park featuring intense heat and long, steep climbs) I realized the end was in sight! Almost all of the riders finished on their bikes, and everyone was smiling at the end (although some of us were faking it).

One small stroke for man (after all, we would have to do this another 10 or 11 times to finish the real *Tour*); one giant stroke for mankind (or for his education, at least). Now it's time to call on those pledges. (Did you pledge this year?)



Taking “art to the heart” of Egleston Children's Hospital

by Scott Sherwin

About a year ago I decided it was time to get involved in community work. I knew there were plenty of volunteer opportunities, but wasn't sure what my niche was. I was sure of two things: I preferred to work with children (I have two sons at home), and I enjoy the arts.

So, I contacted the High Museum of Art in Atlanta. I envisioned giving tours of the museum to school kids. I thought it would be fun and educational (for both me and the kids). But during my interview, I learned about a program that brings art into local children's hospitals. I knew immediately this was the program for me.

ArtVentures brings a little bit of the museum into the hospital twice a month for kids who would otherwise miss the opportunity. We select a craft project that ties into a current exhibit at the museum. Over the course of the year these included Chinese painting, wire sculpture, African mask making, relief printing and lots more.

My notion that “these kids are too sick, or too young, to do these activities” was quickly blown out the window. I wish you could see their faces as they create art. It is inspirational. We encouraged them to create what they saw and felt, rather than simply copy it. Often, their own parents would sit in the room amazed. One time in particular, a mother wheeled her six-year-old son into the activity room. He was a burn victim who had lost most of his fingers, but she said he would enjoy watching the other kids. She had to go out for awhile and left him with us.

I could see in his eyes that he was imagining what he would do with the pieces of bendable wire the other kids were using to make sculptures, so I gave it a shot and put the wire in his hands. He bent it, looped it and, once he got the hang of it, made a fantastic sculpture. It was mounted on wood, so he kept adding to it, squealing with excitement along the way. When his mother returned, his eyes were no longer just imagining—they were full of pride.

Some kids aren't strong enough to come to the activity room to participate, so we go to them. I'll never forget the first time I brought a project to a child's room. She thought I was a doctor (about to give a shot) and completely withdrew. But once she saw all the paints and supplies I was carrying (instead of a needle) she warmed up. We spent our time together painting, telling stories and pretending we weren't in the hospital.

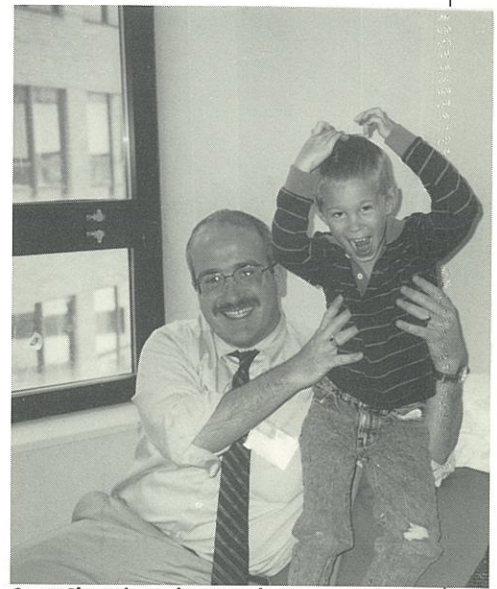
Usually, with every visit, I see new faces. The doctors

tell me that most of the kids stay only a short time and return as outpatients. It's a little harder to see the same child regularly. But, there is one special little boy named Jeremy who just happened to be at Egleston (a division of Emory University Hospital) each

time I visited—so we've started looking out for each other. Jeremy is five and has cancer, but that doesn't stop him from creating some of the best art projects I have seen. Some days he is more fatigued than others, but he'll let me know when it's time to slow down. His mom tells me his chemotherapy is going well and Jeremy is now playing soccer and in kindergarten.

This was my first year working with the kids—one I'll never forget. Each visit to the hospital made me appreciate how blessed I am to have two healthy boys. My oldest, *Zachary*, 5, knows about my volunteer work and now has a better understanding of kids who are different or can't do all he can do.

ArtVentures is currently on break for the summer. I look forward to meeting a whole group of new faces in the fall.

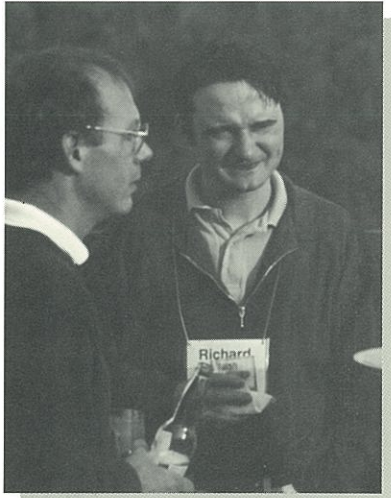
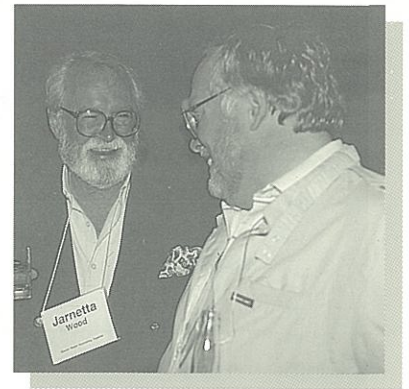
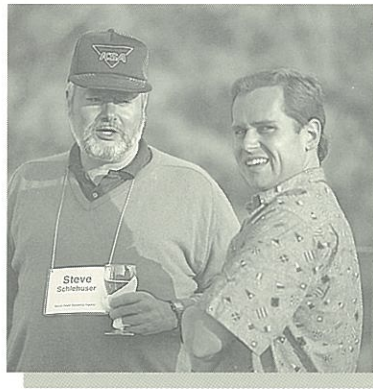
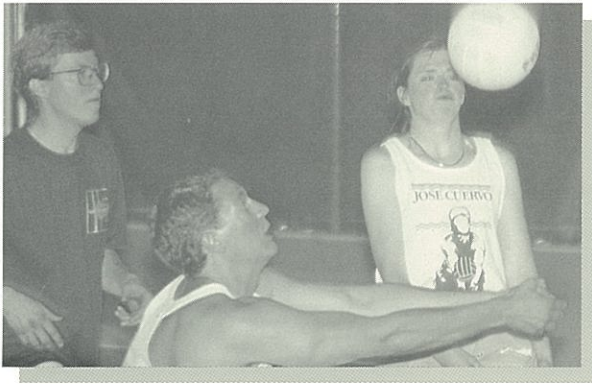


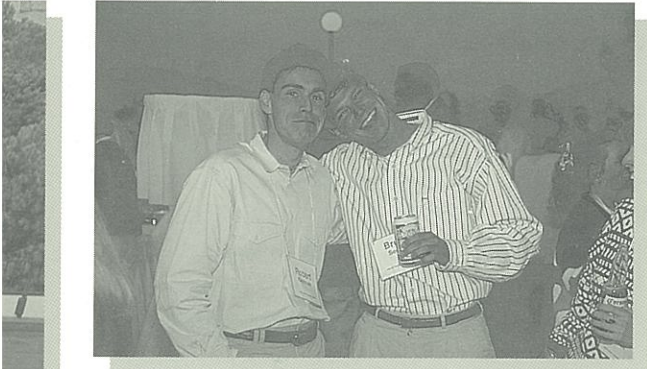
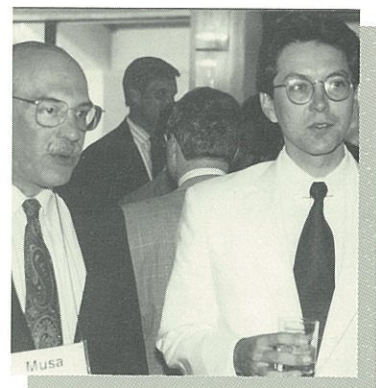
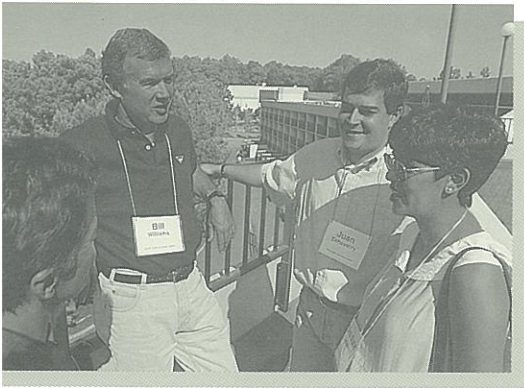
Scott Sherwin and Jeremy horse around at Egleston Children's Hospital

Software Sourcing Company names Account Executive

David Cochran is responsible for marketing SSCs services to major organizations. His initial territory is the Southeast. David gained valuable experience as a Regional Sales Executive with EDS and most recently provided high technology solutions to the health care industry. David earned degrees from the University of Georgia and Georgia State University. David and wife, Stacey, have a young daughter and son. In his free time he enjoys golf, tennis, and jogging.







Around the world in 120 days?



Bungee jumping in New Zealand

By Karl Swensen

One of my life's ambitions has been to visit some of the places I have seen and read about in *National Geographic*, so early last year, I contacted a travel agent and purchased an "around the world" airline ticket that could take me to most of the places I wanted to visit.

My next task was to convince *Tony DeMaria* and *John Champion* that this would make me a better consultant: negotiating through airports, haggling with the natives, communicating in foreign languages, etc. They bought it (!) so after finishing a project in Newark, New Jersey, and before moving back to Atlanta, I left on my "adventure of a lifetime."

With just my backpack for company, I headed first for several days of "R&R" in Hawaii, then traveled on to New Zealand. It was January, and the dead of winter in the States; however, in "Kiwi Land" summer had settled in quite nicely.

If you like the big city and culture, go to Europe. If you like the outdoors and adventure excursions, New Zealand is the place. Bungee jumping, sky diving, river surfing—you name it—it's here.

One of my more interesting experiences was something called "Blackwater Rafting." After donning a wet suit and a miner's hat, our group walked to the middle of a cow pasture and climbed into a small hole in the ground. Underground was a raging river, so with our hat lights on, we jumped into the river with our sophisticated flotation devices (inner tubes). In places, we had to get out and walk, in others we had to jump 30 feet into a pool of water. However, most fascinating were the "glo-worms" in the ceiling of the cave. With all the lights off, it looked like a starry night—30 feet below ground!

On to Australia, and I worked my way from Melbourne

to Sydney and then to Cairns, near the Great Barrier Reef. Luckily, I had friends in Melbourne and Sydney and was treated to Australian hospitality. Although I didn't see any kangaroos while there, I did see a koala in the wild.

The trip rushed on: Bali, Singapore, Hong Kong, and Thailand—I enjoyed some real Thai food (courtesy of C. Y. Loo, who was in town on business). Some highlights include a near-death experience riding a Tuk-Tuk in Bangkok. (It's a cross between a motorcycle and a golf cart, and the cheapest transportation in town.) Also, I affectionately referred to my accommodations in Hong Kong as "The Dungeon." *Brad Morrison* showed me some of the more pleasant sights in the city.

In early March, I flew west again to Cairo to experience the wonders of Egypt. To get to Israel, I rode a bus across the Suez canal and the Sinai desert (folks, take the flight). I also was able to climb up to Masada (the mountain fortress) at sunrise and swim in the Dead Sea. Since the Dead Sea is ten times saltier than sea water, it is impossible to sink. I floated like a bobber.

On to Greece and the beautiful island of Santorini. For total relaxation, this was the place. The chocolate covered baklava was the food of the gods. I rented a moped for the day to explore the island. It was great, but rounding a sharp curve, I hit some loose gravel and wiped out. Except for a gash in my hand, I was OK, though.

From there, I flew to Spain, and started traveling by train on a Eurailpass. I rambled through France and into Germany, visiting KSA colleagues in the Düsseldorf office (*Stefan Witte* and others). After some snow skiing in Austria, I made my way through eastern Europe up to Scandinavia. In Berlin, I was lucky enough to get caught in the middle of a street protest; I stayed long enough to watch the police load people into the paddy wagons.

From Helsinki, I took a cruise to St. Petersburg, Russia. My contribution to the emerging Russian economy was buying a Russian military watch from a budding entrepreneur. Back in Helsinki, I was fortunate to experience the Finnish "Vapu" celebration (or their Labor Day) on May 1st. The whole town went nuts; I somehow managed to have fun.

I arrived back in Atlanta around May 15. Like the movie, I'd traveled around the world, but in 120 days, not 80. Looking back, some people thought I was crazy traveling alone, but I couldn't think of a better way. I was really never alone—I always met other travelers like myself, but was still free to go wherever I wanted. This trip also peaked my interest to see some places I missed—and that's another story.

The "Salmon Football League"

By Chuck Harris

The defending champions of professional football are not, as many believe, the Cowboys. The defending champions are . . . *The Crushers?*

That's right. When *Chad Mellen's* Crushers defeated my own Handguns in Salmon Bowl VII last year, they won the coveted "Salmon Bowl" and bragging rights as the champions of KSA's Salmon Football League.

The SFL was established in the New York office seven years ago. Eight professional football fanatics assembled to join what has become an international phenomenon—fantasy football. While the teams and participants have changed over the years, the league has preserved its original form. Each franchise selects a team of NFL players before the beginning of the season and then plays the other SFL teams in the league head-to-head each week of the NFL season. Each team fields a quarterback, two running backs, two wide receivers, and a kicker. The objective is to "start" six players who will outscore the six players of your opponent.

Because each week sees teams facing different opponents, teams have scored as few as eight points and won, and as many as forty-two points and lost. While skill in drafting an overall team and "starting" the correct six players is important, it also pays to be lucky.

The league is divided into a "Yankee" and "Dixie" conference, the two conference champions and two wild card teams enter the playoffs leading to the crowning of the SFL champion.

A highlight of league activities is the initial draft, held each year before the NFL season begins. League owners gather in offices around the world, bringing computers, spreadsheets, fantasy football magazines, and the occa-

sional alcoholic beverage with which to facilitate clear thinking. As the teams take shape, debates about the intelligence (or lack thereof) of the participants rage. Draft strategies are endlessly critiqued. And, of course, everyone has lots of fun.

The SFL has included in its seven years a total of thirty-six different franchises. Only one, Chad's Crushers, has been around since the beginning. Other franchises the first year included the Leinee Meanies, the Concubines, the Chickens (based in Marietta, of course—ask someone from the AO), the Crazies, the Joisees, the Howitzers, and the B.D.'s (don't ask). The Crushers won that first Salmon Bowl, defeating the Meanies 23-17.

Since then, the league has included Mudslingers, Leggers, Cigars, Tarheels, Pinheads, Dragons, Raiders, Knights, Silva Bullets (want to guess who owned that team?) and the brilliantly named but poorly performing TWINNS (the Team With No Name).

Current teams in the league include *Bryan O'Malley's* Wahoos and *Jim Neal's* Volunteers (any doubt about where they went to school?), *Brad Morrison's* Junks and *Bob Frazier's* Bulls (based in Hong Kong and Belgium), and *K.C. Whitehead's* Wolverinos (who will probably be renamed because of their last place finish last year). *Beth Souther* fields the only distaff team, the Sandy Springs Starlets. *Craig Savage's* Gnawbones (what a name for a health care franchise), *Bill Reed's* Stud Buffalos, *Mahesh Lad's* Peachtree Pylons, *Doug Ford's* Mashers, and *Freddie Wood's* Freaks are also included.

Curiously, the only "Yankee" division team to win the Salmon Bowl is Chad's Crushers. In addition to SB-I, they defeated former KSAer *Jim Kirby's* Chickens in SB-II as well as my Handguns this past season in SB-VII.

The Chickens rebounded to win it all in SB-III, becoming the first "Dixie" franchise to win the Big One.

Two other franchises owned by former KSAers, the Knights of *Ed Rader* and the IB's (Ignorance is Bliss) of *Madison Riley* and *David Lynch*, won SB-IV and SB-V, both defeating the Handguns. My team has become the Buffalo Bills of the league, constantly getting to, but never winning the final game. *Freddie Woods's* Freaks defeated *Jim Neal's* Volunteers in SB-VI, leading to last year's *Harris* franchise annual fold-up.

The SFL brings together KSAers from different groups, different offices, and even different parts of the world to share a common interest in football. While there is a small entry fee to cover "administrative expenses" and the annual winner's "award," the league really exists for the competition and fun. For at least the eighteen weeks of the NFL season, we are all big-league owners, believing ourselves the equals of Vince Lombardi (or at least of Jerry Glanville).

And unlike the NFL, the SFL is open to expansion. We're always looking for fresh meat. . . .er, new owners. The "Salmon Bowl" trophy sits on Chad's shelf today, but it could sit on your desk tomorrow.



Nine principals named

Marian N. Crandall

Marian has played a key role in the on-going improvement and refinement of KSA's recruiting process. Her excellent evaluation skills and highly professional approach to all aspects of our recruiting efforts have a great deal to do with KSA's ability to consistently recruit high quality individuals, and has earned Marian the respect and confidence of her peers.

Marian also made a major contribution to the *Career Path for Women* task force.

In addition to directing KSA's recruiting activities, Marian has assisted numerous clients in facility location studies, employee attitude surveys and internal personnel procedures.

Marian graduated from Kenyon College and received her MS from Carnegie Mellon University. She is based in the Princeton office and recently purchased a home in the area. Marian is an avid reader and collects first edition mysteries. She is a faithful Pittsburgh Pirate fan and tries to work a visit to spring training into her schedule when she can.

Paul A. Dixon

Paul began his career with KSA in a vendor DC, but quickly moved into white collar productivity where he spends the majority of his time today. He has been integrally involved in almost all of KSA's white collar projects, and has perhaps the most thorough knowledge of white-collar operations and improvement principles of anyone in the company. Major clients to which Paul has made significant contributions include Time/Warner, The Blair Corporation,

Brookstone, Lab Safety Supply, the National Geographic Society, Neodata, May Company of California, Bloomingdales by Mail, Time/Life Books—Europe, and the Music Sound Exchange.

Paul joined KSA directly out of Texas A&M University, where he received a Bachelor of Science degree in Industrial Engineering. While still in school, Paul gained valuable work experience with both Texas Instruments Corporation and the US Department of Agriculture.

Paul's great sense of humor and his calm, easygoing, friendly style have served him well in building strong client relationships. Likewise, these characteristics have contributed to his effectiveness in recruiting at Texas A&M, where he has done a terrific job as campus executive for the last four years.

Michael Jacobs

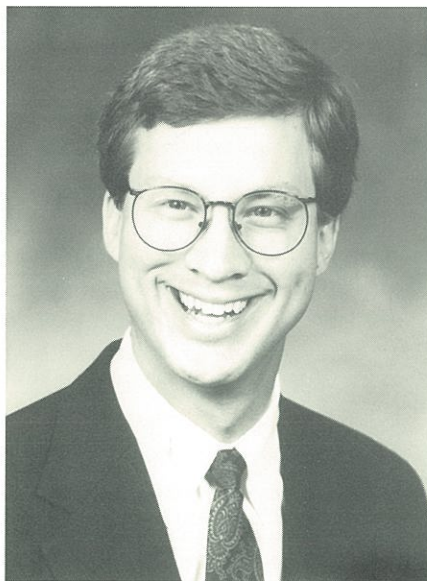
Michael has an extensive merger and acquisition background, including experience at C&B bank, Robinson Humphrey, and Bankers Trust. In addition, he served as the Director of Corporate Finance at the US Treasury under the Bush Administration.

Michael is an accomplished speaker who is in great demand in the areas of corporate governance and enhancing shareholder value. He is the author of *Short Term America: The Causes and Cures of our Business Myopia*, which is a highly acclaimed book. His second book, *Break the Wall Street Rule*, has just been published and has the same potential for being highly recognized.

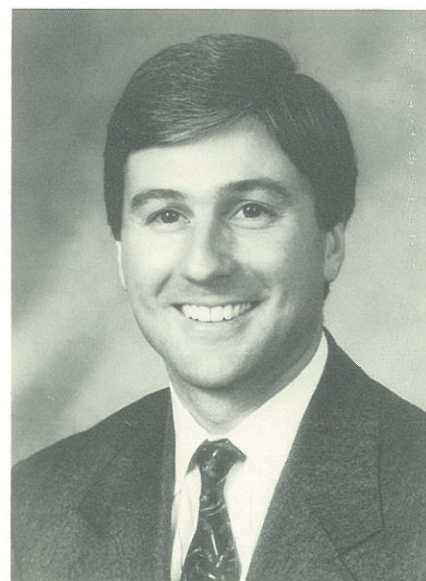
Michael has made a significant contribution to our Consumer Products Group. He, with Fernando Silva, is expanding our Corporate Finance practice. We have several significant engagements presently underway. Their expertise,



Crandall



Dixon



Jacobs

coupled with our in-depth knowledge of our markets, position us strongly for these opportunities. This is a component of our practice with solid growth potential.

Michael and *Stacy* and their two sons, *Preston* and *Garrett*, are very involved in community, church and political activities. Michael is also an avid golfer, tennish and squash player.

Philip H. Kowalczyk

Working with the Strategy and Consumer Products Groups, Phil has made a major contribution to KSA's services and market presence and has developed a loyal following of clients in retail and consumer products. Phil has spearheaded our efforts in Quick Response for several years, managing engagements for such firms as Lands' End, Oxford Industries, Baccarat and The Gap.

He has devoted much energy to building and maintaining our market presence through numerous speaking engagements and leadership in the annual industry Quick Response conference.

Prior to joining KSA, Phil was a department store buyer and merchandiser. He received his BS in Business

and MBA from Indiana University.

Phil and his wife, *Sandy*, have just moved from Atlanta to England, which Phil will use as base on working as a member of our European practice.

Bettina Neumaier

Bettina has made a significant contribution to a wide range of manufacturing and retailing clients on a global basis through work in the US, the Caribbean and the former Soviet Union. She has created a solid track record of exceeding client expectations in measurable improvement within their businesses. Additionally, Bettina has played a key role during the past year and a half as National Staff Director for the Consumer Products Group.

Joining KSA from Georgia Tech, where she received a Bachelor of Textile Engineering degree, Bettina spent her early years relocating to client sites and more recently has worked out of the Atlanta office. Bettina's consulting work has ranged from productivity improvement to Quick Response and product development. She has been at the forefront of integrating Management of Change concepts into her day-to-day consult-

ing activities as well as being certified as a Level 2 instructor.

When Bettina is not challenging her clients to achieve higher levels of performance, she can be found renovating her home in Atlanta or participating in the weekly foot race.

David G. Rush

Dave has been an outstanding innovator since early in his career with KSA's Distribution Group. Dave was a much-traveled relocating consultant with lengthy stops at L.L. Bean, Wangs, Cabellas, Enro, and Mercantile Stores. Since settling, Dave has done extensive planning work with Williams-Sonoma, L.L. Bean and, most recently, Haggar. He is known for developing creative solutions that address his client's needs.

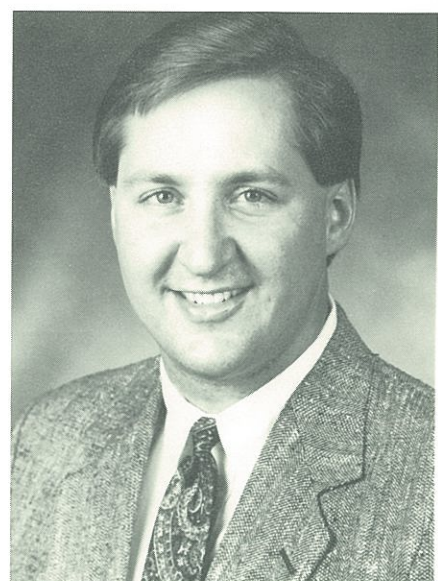
Dave is one of the most proficient individuals in the Distribution Group in communicating to others things he has seen, heard, or learned in his work. He helped coordinate the Distribution Group's communications committee and has been a prolific contributor to the Distribution Hot Sheet. He is always on the lookout for ways to help us get better. Dave has also been certi-



Kowalczyk



Neumeier



Rush

fied as a Level 2 instructor of MOC.

On one of his stops in Memphis, Dave met his wife, *Carole*. Today, they reside in Atlanta with daughter, *Laken*. Dave grew up in Iowa and went to school at Iowa State University where he has been an active campus recruiter.

Craig M. Savage

Craig has twelve plus years of experience in the health care industry, with ten years of that time in health care consulting.

Since joining KSA, Craig has contributed to several successful sales including Memorial Mission Medical Center in Asheville, North Carolina; and Maryland General in Baltimore, Maryland. He is also an active team member on the Creighton University engagement and is assisting the HSD operations task force in developing a new direction for the operations improvement service.

Craig, *Mitzi*, and their two daughters, *Cameron* and *Margaret*, are very involved in school and community activities. Craig's outside interests include golf, baseball and UNC basketball. All in HSD look forward to his increasing contribution to the group and firm.



Savage

Stephen J. Szilagyi

Steve has been a major contributor to KSA's Distribution practice with extensive assignments covering Base Plus®, facilities planning, and strategic planning. His large list of successful clients includes Emporium Capwell, Jaymar Ruby, Maurices, Contempo Casuals, HH Cutler, The Bon, and Healthtex. Steve's commitment and dedication to his work shines brightly in the high quality results he delivers clients.

At The Bon, Steve and others have developed innovative "team" concepts that have been implemented as part of KSA's Base Plus® project. He, along with others, has also been instrumental in the recent development of Continuous Performance Improvement (CPI), an exciting new service approach being developed for some of our Distribution clients. Steve is certified as a Level 2 instructor in MOC and has done an excellent job of using these skills in the development of our CPI service.

Steve became the first and only resident of our Plymouth, Michigan office and set a record for most flights taken before 6AM. We are thrilled that he has recently moved to Atlanta with wife, *Janet*, and cat, *Detour*, to make a new home.



Szilagyi

Thomas Vester

Thomas joined our retail division in Düsseldorf in 1989. Due to his professional background, he was able to support the expansion of our retail business very efficiently and build up a number of important references.

Milestones

Congratulations to

Brett and Kat Turner on the birth of a daughter, *Taylor Danielle*, January 3.

Scott and Kathy Sherwin on the birth of a son, *Wesley Byron*, April 15.

Bob and Peggy Roge on the birth of a daughter, *Anne Kathrine*, May 25.

Sara Sternberger and Karl Lichtfuss on the birth of a daughter, *Ellis Catherine Addams Lichtfuss*, May 29.

Raj Kumar and Margaret Prendergast, married June 5.

Chris Merritt and Susan Jackson, married June 12.

Paul Schottmiller and Anne Conlon, married June 26.

Pam and Ralph Przybyszewski on the birth of a son, *Ralph Alexander*, August 21.



Vester

KSA names thirteen new managers

For several years, no one could find **Robin Athey** because she led the nomad's life from Jamaica to the former Soviet Union. To confirm Robin's whereabouts, consultants would track her through the Atlanta office mail room.

Along the way, someone suggested Robin take Spanish, and although she had no previous background, she was a quick study, became proficient, and found herself in plant start-ups in Central America. She has helped companies like Caderh in Honduras, Chantelle in Costa Rica, and also Hanes, Cole-Haan, and Henson-Kickernick.

Finally settled, Robin works from the Princeton office and is currently helping Sara Lee with Business Process Reengineering.

When **Jeff Butler** joined KSA's operations practice, he helped clients William Carter Company and Thorngate achieve substantial savings with responsive operations. Later, his inventory management work laid the groundwork for Blair's initial QR partnerships.

When he joined KSA's Information Technology practice, Jeff spent much of his time on-site at Girbaud working on the

most advanced and innovative systems ever developed in the apparel industry.

This summer, Jeff headed to San Francisco, where he joined the IT team to help one of KSA's favorite clients, Levi Strauss & Co., employ the latest information technology to support its re-engineering efforts.

Jeff and his wife, *Robin*, settled in Atlanta earlier this year.

Gary Catherman has worked in many functional areas of CPG and strategy. His major clients include DuPont, Monsanto, Sara Lee, Swift Textiles, Renfro, and Dominion Engineered Textiles.

He managed a \$275,000 global strategy project for CYDSA, which led to significant follow-on projects involving sweaters and blankets.

Most recently, Gary has worked on three financial divestiture projects and will continue to spend time in our corporate finance practice. Gary will marry *Margaret Lantz* in late October.

Laura Ferguson has delivered significant client results in Tailored Clothing Engineering, Supervisory Training, Cutting Engineering and Manufacturing Strategies since joining KSA in September of 1988. Her projects have generated over \$4 million in annual savings for her clients, including Joseph J. Pietrafesa, Joseph & Feiss, William Carter Company and Lands' End. Laura's ability to develop strong client respect has led to significant follow-on work.

Currently, she is the project manager for a manufacturing project with Kelly's Kids, which is staffed by Irene Leong.

Outside of KSA, Laura is very active in various Atlanta sporting events including tennis, running and biking. She has also become a regular on the triathlon circuit.

Doug Ford's first 18 months at KSA were spent in the operations practice where he installed Base Plus® for Neiman Marcus and developed a compensation system for Coach Leatherware's manufacturing group.

In January 1991, Doug moved to the strategy group where he spent most of his first year implementing strategy, marketing, and product development for Mamiye

Brothers, manufacturers of children's wear. Doug is now known as KSA's resident expert on children's wear. He later worked with PVH to develop a model company.

To broaden his scope worldwide, Doug was a member of an international team from KSA's German office. He recently helped Wilson Sporting Goods license its brand of golf apparel to a large Far Eastern manufacturer.

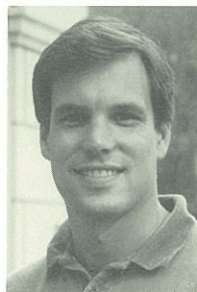
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Athey



Butler



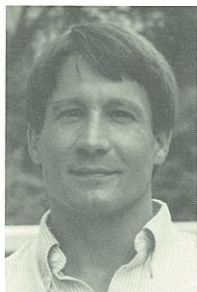
Catherman



Ferguson



Ford



Furbish



Glockner



Mastronardi



Nolan



Schottmiller



Swift



Voget



Way

In November, Doug will marry *Debbie Patterson*.

Paul Furbish joined KSA in 1990 during the Polo project, and was instrumental in the development of DCMS® (Distribution Center Management System), which was first installed at Polo. DCMS® is a sophisticated system support software for distribution center operations. After Polo, Paul served as a leader of our distribution systems team at Girbaud, which is KSA's most successful installation to date.

Currently, Paul is helping design the support system for Haggar's new DC.

An avid runner, and winner of KSA's fun run at the 1993 North American Consultants' Conference, Paul lives in Atlanta with his wife, *Debbie*, and two daughters, *Emily* and *Anna*.

Rob Glockner has worked for a variety of well-known clients including Royal Doulton, Jaymar Ruby, Totes, Girbaud, and The Bon.

This summer he was involved in KSA's first Continuous Performance Improvement (CPI) project at Super Club Music in Atlanta. Due largely to his efforts, the assignment has grown into a planning project for a new Atlanta distribution center. For a recent client, Rob's assistance has helped the company realize savings that quadrupled projections.

Rob is married to *Michelle (Missy)* and is a relocating consultant, based in Atlanta.

In 1990, the first assignment **Shawne Cordes Mastronardi** completed for KSA was a strategy project for Oxford Shirts, a client with whom she continues to work. Most recently, Shawne has developed marketing and consumer-driven strategies for a number of high profile clients, including Ked's Apparel, Macy's and Tultex. She is heavily involved in consumer marketing, and has worked with client organizations to use consumer research as a tool for business planning.

Shawne and husband, *Ed*, have recently moved to Westchester County where they are renovating a 250-year-old home.

Randi Nolan has developed a reputation as an expert on import control and tracking systems that cover material control and product development/design.

She completed a major import control project for Bernard Chaus and is

also doing one for Wilsons, a leather retailer. Currently, Randi is at the center of a product development control project for Jones New York and is starting one with Donna Karan.

Randi and husband, *Paul*, live in northern New Jersey, and she is based in New York. She is an avid rider who just purchased a horse from *Bill Williams*. Let's keep this horse trading in the company.

Paul Schottmiller, based in Princeton, has worked with a diverse group of clients to develop, use, and manage their information systems.

He developed an innovative POS-driven PC-based Quick Response replenishment system for Toddler University. He completed a big project for Matthew Bender in which he developed an order processing system for CD Rom legal and tax publications. Currently, Paul's key project is an information systems strategy for Phillips-Van Heusen, which should result in significant follow-on work.

Known as a strong manager, Paul has a strong technical background; he knows the latest theory of database management.

Married this summer to *Anne Conlon*, the couple recently purchased a home in Bucks County, Pennsylvania.

Kevin Swint has been a key contributor to the distribution practice's white-collar productivity design and implementation. With recent clients, Time Customer Service, Blair, and Time, Inc., he has proved that he can gain the support of very diverse groups of people.

Kevin has completed engineering planning and design projects involving integration of catalog fulfillment centers into an existing direct mail operations.

Kevin is a relocating consultant, based in Atlanta.

Peter Voget's clients include Santista, CYDSA, Manufacturas Yedid, Fruit of the Loom, Dominion Textiles, Alpargatas and Coltejer. Peter worked for a time in Europe and was part of the KSA team in Russia.

Today, Peter is expanding KSA's textile cost, productivity, and investment modeling and benchmarking services.

The quality of Peter's consulting is reflected in the perfect score he achieved on the client evaluation of services for his recent engagement for

Greenwood Mills. Peter is fluent in four languages and loves to travel. Peter and *Heidi* live in Atlanta with their two daughters, *Wendy* and *Tessa*.

Doug Way has designed and implemented systems across multiple platforms and software configurations. For Dundee Mills, Doug designed a warehouse and finished goods inventory system, a production planning system, and implemented a forecasting system. For Robinson Manufacturing, a maker of boxer shorts and athletic wear, Doug has designed and implemented a real-time on-line manufacturing exception analyses system, and is now implementing a retail store replenishment system for the company.

He specializes in the design and implementation of systems to support Quick Response, Electronic Data Interchange (EDI), and Manufacturing Resource Planning (MRP II) applications. Doug and his wife, *Leslie*, have a daughter, one-year-old *Kelsey*.

New Staff

Terri Marion—AA, Greensboro. Terri works for KSA in the mornings, and came to us from Community Care. She has a BS/BA from Appalachian State University, where her major was Health Care Management. Terri likes snow skiing and family activities.

Tracy Wilson—AA, HSD, AO. Originally from New Jersey, Tracy moved to Atlanta from the Washington, D.C. area just two months ago. She has an impressive health care industry background. Tracy previously worked for McManis Associates, a health care consulting firm; and Warner-Lambert Company. She attended Howard University. Tracy and her husband, *Michael*, have two daughters, *Vanessa*, and *Kirsten*. She spends her free time with her family.



Marion



Wilson

KSA's Strategy

Highlights of Barry Moore's address to attendees of the 1993 North American Consultants' Conference

“If we allow ourselves to achieve our potential, we will discover a set of rewards unique to consulting; a good working environment, professional prestige, personal satisfaction, and outstanding financial rewards for our families.

Over the last few years, through your collective efforts, we have developed a very specific core strategy. Simply put, KSA's strategy is to make a difference to the best companies in our industries in things that really matter to them by being

the brightest and the best.

There are six elements:

• **Client strategy**—Acquire and retain clients who can support the services and requirements of a successful premier firm. This strategy requires us to identify the leadership clients in our markets, develop specific action plans targeted to them, and measure the progress.

We have made significant progress here. Our new target client development program and proactive marketing efforts in all service groups continues implementation of this strategy.

• **Service strategy**—Focus services to achieve a premier competitive position to deliver significant results for clients in their core business need areas.

As industry specialists, we must help clients achieve improvement in those areas that are at the heart of their businesses. These are functions like merchandising in CPD and ambulatory services in health care that will distinguish them from other industries and types of businesses. These services, when coupled with our knowledge of the entire chain in our industries, can make KSA unbeatable.

• **Market expansion**—Expand horizontally and vertically in our target markets by internal expansion, senior hires and acquisition. Our markets are huge, and we are far from serving all components

of these markets. We will focus on taking proven services to new parts of these markets like home improvement centers and groceries and in developing new services for our existing clients such as physician-hospital organizations in health care. Our growth potential is enormous.

• **Human resources**—Recruit, develop, and retain the best consultants in our industries so that, in all situations, we deploy the strongest people clients can find to serve them. This is the most important of our strategies. Consulting is people-driven. Success is not determined by capital, services, or strategies. Success is having the best people to serve clients. The KSA culture will be a major competitive advantage during the '90s. Skilled people will be scarce. Because we can offer the best consulting environment, we can recruit and retain the best.

• **Quality**—To be recognized as an industry thought-leader and assure that each engagement “makes a difference” to the client and is delivered in a manner that exceeds client expectations. Improvements must be achieved engagement-by-engagement, service-by-service, and individual-by-individual.

• **Profitability**—Maintain sufficient profitability to have a successful firm and to invest in new services and markets. Profitability is not a strategy that can be achieved in itself. It is the result of successfully implementing the other five strategies. However, to remain a vibrant firm, we must generate sufficient profitability.

The brightest and the best demand superior compensation. Constant growth and expansion requires capital. With our commitment to internal ownership, this capital must be generated by the earnings of the firm. KSA will be in the top quarter of consulting firm profitability.

A consulting firm does not succeed with a top-down strategy. Success comes from a bottoms-up approach where each of us has a personal action plan that is consistent with the strategy of the firm and contributes to its overall success. Consulting is not a capital intensive business. We are in a people intensive business where, as our strate-

gy emphasizes, it is the actions of the individual that count.

Our strategy will only have life when it is translated into personal action plans for each of us. A key objective of KSA North America is to ensure that each year all consultants and analysts have specific action plans that collectively implement our strategy. This will require:

• An action plan for KSA North America that details the priorities for the year and those action steps that must be taken on a North America-wide basis. For example: creation of a new market thrust that is outside any one specific service group, such as the grocery industry. This plan is the umbrella under which all of our other action plans for the year are coordinated.

• Each service group must also have a detailed action plan for the year that includes elements to implement throughout North America as well as in the service groups.

Service group plans will deal with items such as service development, target client acquisition, marketing, quality improvement, etc.

• Each individual will have a specific action plan for each year. As professionals, we must continue to grow. Growth requires action plans that stretch us and allow us to develop new capabilities as individuals, and enhance our contribution to the success of the firm.

The individual's action plan will be coordinated with both the KSA North America and service group plans, and will be specific and measurable. The sum of all the individual action plans define the expectations the firm has for the year. The sum of all individual achievements is what we, as a firm, will achieve for the year—no more and no less.

KSA North America in 2000

In the year 2000, KSA North America will:

• Be twice as large in real volume. That will mean, in 1993 dollars, a fee volume in North America of \$65 million versus our \$32 million today. In 2000 dollars that will be well over \$100 million.



- Consist of over 425 professionals. Our new colleagues will be bright, ambitious, anxious for a strong future, and culturally diverse.

- Provide the same areas of functional service we provide today. Within our markets, there is sufficient opportunity to achieve \$65 million of fee volume. We do not need to expand into new functional specialties within CPD. However, within each of our service areas—CPG, Information Technology, and Distribution—there will be continued enhancement and broadening of our services as we continue to strive to achieve meaningful results for our clients by meeting their core business needs.

Within HSD, we will still be heavily involved in our core services of strategic and facilities planning. As in CPD, these services will continue to evolve to meet the needs of a rapidly changing health care environment. In addition, we will enhance our operations improvement services and enter the information technology consulting market.

- Serve the leaders in our industries. We are all personally committed to be the best. For us to be the best, we must, as a firm, serve the best companies through large meaningful engagements that truly make a difference to the client. Our future vision is for more of our work to be with bigger clients in even larger engagements.

- Continue to be recognized for our outstanding professional achievements and the integrity we exhibit individually and collectively. This is a vital element of our heritage that we will protect at all costs. Nothing is more important than our reputation.

- Be extremely profitable. We recruit the brightest and the best. We are achieving our strategy of deploying people that are better than our competitors. Better people deserve above average compensation for their efforts.

- Be a major consulting force within North America and dominate our markets. We will be thought-leaders who set the agendas in our markets. The best people cannot be satisfied being followers.

- Operate as a component of a global market leader. Our clients are becoming more active, internationally, in all markets. Companies headquartered in America, Europe and the Far East are committed to operating globally. As a firm and as individuals, we must be competent to assist them in a worldwide arena.

- Involve everyone within our firm in achieving and sharing in this success. KSA has always placed a high value on the individual. This commitment to the individual as the cornerstone of success and achievement will continue and be enhanced.

- Have a more significant impact upon the communities in which we live. Many KSA'ers are very involved in their communities and make a significant contribution to their betterment. All of us should make a personal commitment to make a difference in the world in which we live.

It is up to all of us to have the commitment to make our vision of the future happen.

Impact on us as individuals

Being a part of KSA as we achieve the Vision and Mission has a significant impact on each of us as individuals.

The major impacts are:

- Professional Growth**—An integral part of being a professional is continued growth. One of the most rewarding aspects of being a professional is that those things that you do to succeed in the firm also make you more successful as an individual. Personal growth leads to professional growth. As you grow, so does the firm. As you succeed, so does the firm.

KSA is committed to your continued professional growth and success.

- Professional Prestige**—We are professionals because we like the rewards and benefits of a professional life style. One of the most significant components of reward is prestige. Professional growth, when demonstrated, is recognized through promotion to manager, principal and, perhaps, officer. In addition, the firm in which you practice is also an important contributor to prestige.

- Financial Rewards**—As much as we all like KSA and like being a professional, we do work because we get paid. If you had won the lottery last week, you just might not be here this morning. You can become rich, or at least how most of us define rich, by succeeding during an entire career at KSA.

Secret Ingredient

There is a secret ingredient, teamwork, to make all of this happen. We will not succeed as a firm or as individuals unless we all work together. There are several important levels of teamwork.

- Among Colleagues**—We are very much

a farmer rather than hunter firm. Our markets and services are closely intertwined. We are specialists who serve a defined client market with closely related services. This requires high levels of cooperation and trust. In all of our efforts, we must work together to succeed.

- Among Service Groups**—Increasingly, our clients require results that only can be achieved by the skills that are resident in more than one service group. Every year a higher percentage of our fees come from engagements that involve more than one service group. The future will place an even higher premium on service group cooperation. We must continue to work more closely together.

- On A Global Basis**—Our industries are becoming much more global. We must work closely with our colleagues in Europe and the Far East to serve them well.

- Between Consultants and Support Staff**—As consulting professionals, we cannot succeed without the help of the dedicated cadre of support personnel that are a part of our firm. They care as much about the success of the firm as we do. They care as much about our clients as we do. Unfortunately, they don't get to understand the full scope of our engagements or to interact with clients. They don't get many of the professional rewards that we do. Let's make the commitment to work very hard to give them the respect that they deserve and to make their work more rewarding. It is our obligation.

- Within our family**—The consulting life is not an easy one. For the consultant, there are significant personal professional rewards that make the effort and sacrifices worthwhile. For the spouse and children, it is often less clear why it is all worthwhile. Yes, the financial rewards surely do help. However, we want all of the family members to understand that it is your support and love that makes it possible for us to succeed as professionals and consequently, as a firm. "