

SUMMER 2000

A publication by and for the employees of Kurt Salmon Associates

The Observer

Compadres in Campeche

KSA team in Mexico greets nation's president during opening of Renfro plant.

by Jesus Baltazar

CAMPECHE, MEXICO

Shaking the hand of a nation's president is not something that happens every day, but KSA consultants at the Renfro Campeche project had the pleasure April 18, when the President of Mexico, Ernesto Zedillo, came to Campeche to cut the ribbon and make the plant opening official.

The relationship between Renfro Corporation and KSA has been developed through several years of joint work and many successful projects.

The most recent project took place in Campeche; the start-up effort for a plant dedicated to the finishing of

sporting socks. Renfro is not necessarily a well-known company name (publicly speaking), but Renfro owns the Fruit of the Loom brand for sporting socks and is the largest sock manufacturer in the world.

Renfro's Campeche plant opened in June 1999, and KSA's participation began in mid November. Project scope for the first three months was to develop a group of middle managers to support the plant build-up. Supervisors and trainers were identified from a group of 16 people, all with college degrees.

KSA also helped define operator and production build-ups. As of the end of April, all plans were being met and the

Continued on p. 6

L-R: KSA's Roberto Treviño, Marcos Corminas and Jesus Baltazar; and Renfro's Richard Simmons, Mike Bowman and Lourdes Aceves. In front: Janet Greer of KSA.

It didn't rain on our
AO '00 Picnic,
even though the Shuman
family did find the water.



(See story, page 16)



KSA allies with MMM

Union with supply chain and logistics specialists offers opportunity to build “critical mass” quickly in the UK and Europe

By Dave Rush

LONDON

On April 28, the paperwork was signed, making the merger of MMM and KSA official. Given the primary reason I moved to the United Kingdom was to support the integration of the two companies, my wife and I both breathed a sigh of relief when the paperwork was completed.

By the time the paperwork made it official, MMM and KSA were already acting in a partnership mode.

(I must admit that the paperwork not being signed as of April 1 did allow me to play at least one very effective—if slightly sadistic—April Fool’s prank on my wife. Carole was not looking forward to packing and moving back to the United States when all of our boxes were not yet

The merger team

An all-star team is supporting the merger efforts. Its members include:

- *Tony Smith* (who led negotiations), supporting the business and reporting integration as well as infrastructure
- *Patrick Moylan* and *Suzanne Woodall*, supporting the integration of marketing efforts and external relationships
- Project leaders, including *Phil Turnbull*, *Ashley Deaton*, and others who are actively leveraging MMM capabilities at current KSA clients
- *Peter Willmot*, supporting the integration and leveraging of clients and business development
- *Britt Dayton*, supporting the integration of services
- USA-based resources sharing insights and methodologies
- *David Oliver*, supporting the Human Resources integration
- And others too numerous to list....

unpacked in the UK. She was not amused when I said, “April Fool’s!” I still have the bruises ...)

MMM is a UK-based consultancy specializing in supply chain and logistics. Our goal is to aggressively combine MMM’s 30-strong forces with KSA’s expertise to build “critical mass” quickly in the UK and Europe in these areas.

When the paperwork made it official, MMM and KSA were already acting in a partnership mode. Clients where joint MMM–KSA teams are already in place include:

- eToys Europe
- TKMaxx – the UK subsidiary of TJMaxx
- TJMorris (joint proposal)

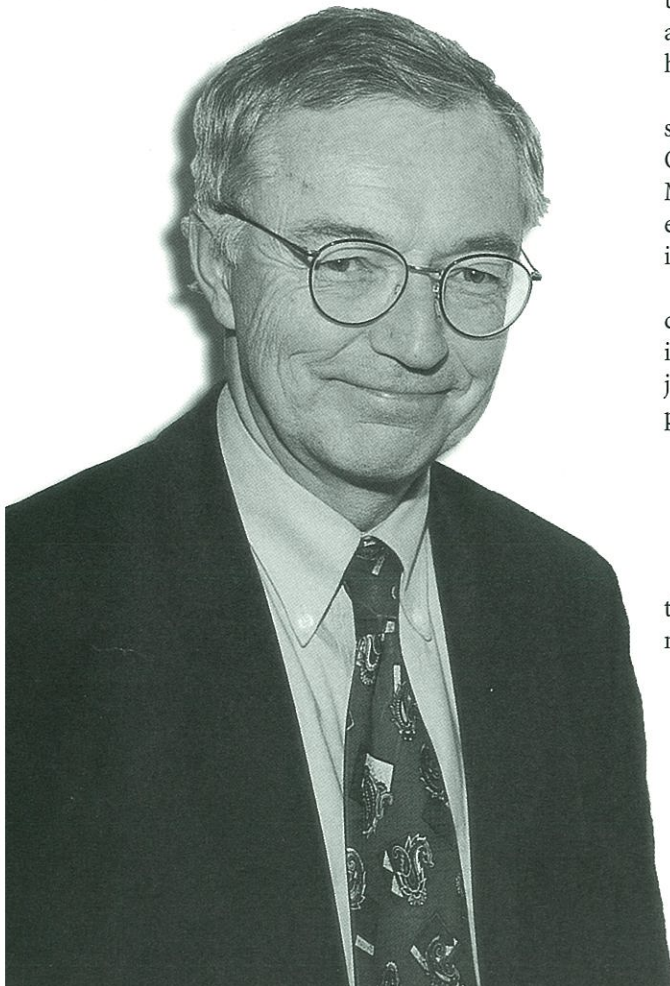
With MMM having participated in the UK Holiday Party and *Tony Lee*, managing director of MMM, joining the

principals’ meeting in Bermuda, it already feels like one team.

However, now that the deal is done, the real work is just beginning. As *Peter Brown* has communicated, we are accelerating the pace of our merger discussions—we have to work diligently to make sure the time and effort result in a return on investment. To that end, Tony and I are the point persons, working to coordinate the transition and pursue joint client opportunities.

Already the potential gains by combining strengths is apparent. Now we must work to combine the talents of the two organizations so that, in supply chain and logistics in the UK and Europe, we can deliver to our clients “more, better, faster, for less.”

MMM Managing Director *Tony Lee*, a veteran of 28 years in the consulting business, balances the role of practice management and direction with business development and assignment delivery management. His clients include Glaxo, Nutricia, BT, British Gas and Tesco. He has a bachelor of science degree and is a fellow of the Institute of Logistics.



3F: Keys to Web site success

In the digital marketplace, form, function and fashion must be integrated to ensure lasting value

By Geoff Smith and Erich Dietz

There has been a deluge of books by people in various consulting firms about the business impact of the dot-com phenomenon.

In fact, one of our competitors now has its own publishing label to peddle the wares of its consultants. In this spirit of shameless marketing, we thought we would publicize a KSA-developed model for analyzing the internal effort required to build a web business.

The primary key to success in developing an online business lies in the integration of the Form, Function and Fashion of the business.

Building a Web Business

An international team of KSAers created a tool to demonstrate to a retailer the

costs of developing a Web business. This tool is a three-dimensional model of the Form, Function, and Fashion of building a web business.

The Form—the promises you make to your customers—is your Web site and supporting functionality.

The Function—your ability to deliver on those promises—is your fulfillment network and infrastructure.

The Fashion—the marketing and advertising effort—used to build the traffic to your site and develop your brand.

Within each of these categories is a list of issues to consider as you build your Web business. The importance of each of these issues will vary based upon the type of Web business you are building and your current

state of development.

Critical issues within **Form** include things such as access time, update frequency of the site, capacity for user generated content, and online order tracking.

Function focuses on issues such as ensuring capacity to meet demand, inventory access and availability, and the ability to provide value added services like gift wrapping or monogramming.

Marketing and advertising, or the **Fashion** aspect, includes strength of brand, partnerships with others, multi channel marketing, and online/offline advertising.

Stages of Development

Within each of these categories we have created three stages of development: Early, Advanced, and Best Practice. These stages allow us to demonstrate multiple cost scenarios that can be combined with a variety of revenue projections, allowing the client more flexibility when planning.

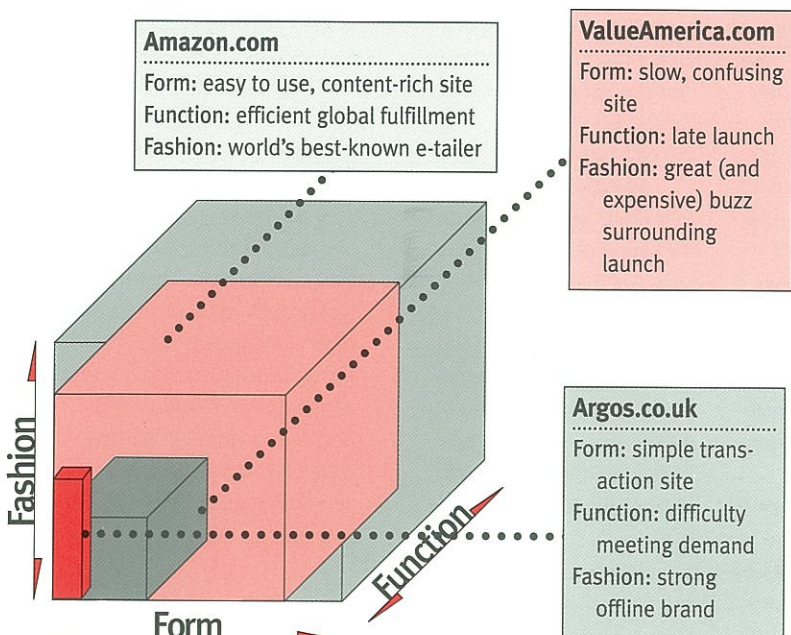
An **Early** stage of development can be thought of as reconfiguring your current offline business to support an online effort. There is no fundamental change associated with this stage of development; you are merely taking your current business and value proposition to the Web. This is the stage many brick-and-mortar retailers find themselves at today, as they

try to determine the impact E-commerce will have on their total business and how to respond to this new competitive force.

Companies involved in an **Advanced** effort are redefining their current situations to integrate online and offline business into one seamless offering. For offline retailers, moving from a store-centric approach to a customer-centric approach embodies this effort. This could be achieved through partnerships with suppliers or other areas of the supply chain to present a cohesive vision to customers.

Best Practice efforts represent a reinvention of a business, including a fundamental change in a firm's value proposition, transitioning beyond customization towards personalization for the consumer. Possibly even using online and offline capabilities to create new opportunities outside the firm's traditional areas of operation.

The primary key to success in developing an online business lies in the integration of the Form, Function and Fashion of the business. Businesses must drive from an early effort toward an integrated best practice offering to ensure lasting success in the digital marketplace.



Exciting Times for Merchandising Services

New Economy's new E-commerce offers many opportunities for KSA's merchandising team

By Ronan Cates

GREENSBORO

With the recent Business-to-Consumer (B2C) excitement, many articles doomed the future of traditional brick-and-mortar stores. According to them, the "New Economy" would be largely E-commerce based.

The country and especially the stock market now realize that B2C, in many cases, is becoming just another distribution channel for established retailers. Brick-

Through the Internet, merchants will have to have processes in place to more thoroughly understand consumer preferences and decision making.

and-mortar retailers represent the distribution channel that has a presence through one or more physical retail outlets.

This turn of events is providing KSA with a great opportunity. Not only does the firm have dot-com experience with many leading B2C companies (more than 20 at last count), but we also have many years of merchandising expertise to assist retailers in incorporating this new distribution channel into the traditional retail environment.

Retailers are realizing that regardless of their company's Web presence, the Internet will affect their future decisions and positioning. At a minimum, the Internet has become a consumer research engine mak-

ing it imperative that merchants more fully understand assortments, pricing and targeted customers.

Following are examples of merchandising practices that KSA can help modify to meet changing market demands.

Assortment Planning

Through the combination of existing stores and the Internet, merchants have the ability to maximize Gross Margin Return on Equity (GMROI) while increasing customer satisfaction through increased assortments.

Through assortment evaluations, retailers can place their best items in the stores while supplementing their assortment through Internet offerings. Through different means such as in-store kiosks, the retailer will offer a fuller assortment within the stores.

For example, that popular brown tassel loafer in high demand in sizes 9-11 medium will be at the store. The same shoe in an unusual size—very large, very small, very narrow or very wide—can be found through an in-store kiosk or through the retailer's Internet site.

Product attributes will be examined carefully to help determine what factors make the product easier to sell over one channel rather than another. Certain attributes—color/size or perishability, depending on the product—

may limit one distribution channel over another. An undergarment can readily be sold through the Internet; a high-fashion, expensive mink coat may require consumer/retailer interaction to sell.

With the Internet, merchants now have automated tools to do conjoint analysis—the method of examining choices that consumers make when purchasing items based on features and price. This automated analysis can be used to better plan complete assortments.

Pricing

Price zone definitions are based on the product. Prices of items easily purchased over the Internet will be dictated not by local competitors, but by national and international competitors. This will require retailers to monitor prices continuously to assure that either their price is competitive or that the additional services they provide justify the difference.

Merchants must realize that with the "lowest price" mentality of Internet shoppers, the loss leader concept may no longer work. (Loss leader occurs when a retailer prices one product abnormally low, thus taking a loss on the item, in hopes of attracting shoppers to an item or items that promise a

greater margin.) When using the Internet, consumers will buy your low-priced loss-leader and click to another store for someone else's bargains—Internet "driving" from one store to another takes less time than walking from one section to another in a normal retail outlet.

On the brighter side for pricing, because a retailer can offer a broader assortment, unique or unusual goods that can be sold over the Internet may warrant higher margins to target consumers.

Plan-o-gramming

Plan-o-gramming has traditionally meant the process of planning the arrangement of articles for a store display. Retailers spend considerable time arranging articles to maximize their appeal to the consumer. In a traditional store, the retailer does not have the flexibility of changing the display based on each individual consumer.

With available Internet tools, merchants now have a tool-set to tailor the Internet plan-o-gram based on individual consumer preferences. Suggestive selling on the Internet becomes a continuous process. Merchants must have processes in place to more thoroughly understand consumer preferences and decision making. With this understanding, merchants can dynamically create electronic store layouts.

**Inventory Management/
Procurement**

Amazon.com, one of the leading Internet retailers, wrote off millions of dollars in inventory last Christmas.

The same principles that apply to conventional brick-and-mortar outlets apply to B2C selling. Development of robust exit strategies becomes a rudimentary part of the business.

The brighter side of the coin is that merchants have the potential to reduce greatly the cash to cash cycle time for Internet sales. Amazon is also a good example. On average, the book industry allows 45-90 days for payments to the distributor and the average time that a book remains on a store shelf can be as much as 160 days. Amazon, by contrast, can carry as little as 15 days worth of inventory on books, giving it a month's worth of float.

**Merchandising's
Mission**

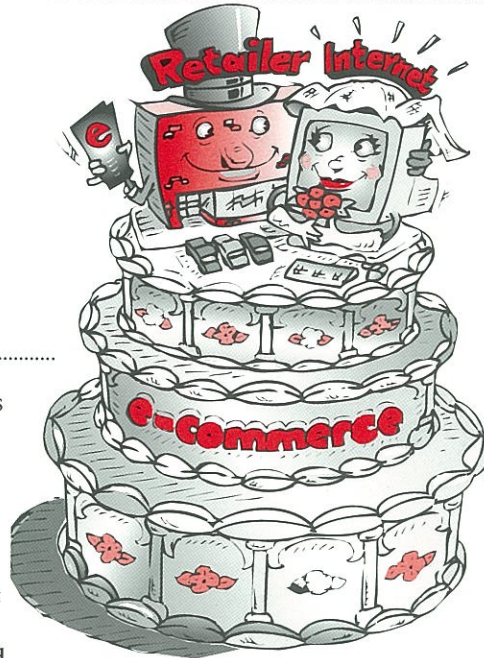
How does this effect KSA? KSA's Merchandising Services organization has recently reorganized into four areas of focus:

1. **Merchandising Strategy and Planning**—driving profitability through product mix optimization, including category management, assortment planning, and forecasting.

2. **Product Development**—reducing cycle time by 50 percent plus, and driving up the success ratio of products being developed.

3. **Sourcing and Supply Chain optimization**—optimizing the supply system to achieve improvement in cost, lead time, and quality.

4. **Store operations**—



driving up competitive store sales via improved customer services and/or gaining cost efficiencies in store operations.

Although each of these areas has developed expertise to assist retailers in mastering the marriage of brick-and-mortar retail stores with E-commerce, merchandising will be the most heavily involved in solving issues raised by the new retailing paradigm.

Merchandising Strategy can help retailers change assortment, pricing, plan-o-

gramming and inventory management processes to maximize the benefits of the Internet.

This group helps the effective flow of the right merchandise to retail point of sale/Internet page while aggressively managing inventory performance. KSA brings industry-specialized professionals to our clients to assist with merchandising strategies, diagnostics, process design, and Internet-enabled business-to-business (B2B) collaborative planning, forecasting, and replenishment (CPFR).

If you have a client who is considering the adoption of the Internet as an alternate channel, consider giving KSA's Merchandising Services the opportunity to discuss how our expertise can help them redefine their processes.

Fulfillment Conference

The May 5-7 Fulfillment Services Conference 2000 in Orlando, Florida, celebrated the merging of two service groups, Logistics and Operations.

The conference granted members of both groups the opportunity to meet lots of new faces and to learn how they can complement each other while serving our clients.

All who attended came away with a feeling illustrated in *Peter Brown's* comment, "Clearly, the best of KSA is yet to come."



Very Fulfilled

L-R: Juan Echeverry, Marcos Corminas, Gerson Coto, Vikas Chinnan, Alberto Benavides, Ignacio Felix, Jose Ayala and Mufaddal Moosabhoy.

Campeche

Continued from page 1

forecasts indicated the start-up would be a great success.

Because Campeche is in the Mayan region, on-site consultants were able to visit Mayan ruins as well as historic sites in the city.

At one time, the city was surrounded by a wall because attacks from European pirates (English and Dutch)

All plans are being met and forecasts indicate the start-up will be successful.

were common in the 1600s and 1700s. Pirates stole precious metals, food and exotic materials from Spanish boats and from the city. Left standing today is only a portion of the wall and the six corners (baluartes—towers built for beauty and surveillance).

The time in southeast Mexico certainly was a great experience for all of us—we enjoyed tasting the regional seafood, going to a Mexican League baseball game, spending nights on the beautiful boardwalk, and meeting great people from the client and the community—including our key client contact, Mike Bowman, executive vice-president of Operations, and, of course, the president of Mexico.

KUDOS

The KSA team included *Jerry Armfield, Janet Greer, Marcos Corminas, Jesus Baltazar* and *Roberto Treviño.*

Oath, What a Day!

Our London correspondent's "mum" becomes a baroness.

By The Honourable Sarah E. Walmsley

LONDON

Our correspondent in the UK, Sarah Walmsley, has been with us since October 1998. She is an AA in the Manchester office and recently spent five months in London helping set up our new office there.

It was a rainy May day in old Londinium. My brother, Adrian, told me to meet the family at the Houses of Parliament, across the road from the House of Lords entrance, "by the statue of the guy with the big sword."

Even though the day started a little damp and a lot confused, things got better when we arrived at the House of Lords.

However, 11:30 a.m. came and went without any sign of an assembled throng. Not particularly worried, I waited patiently safe in the knowledge that my family, when assembling *en masse*, is not best known for punctuality.

George V and I were getting fairly well acquainted by the time a search party appeared. Apparently, there are a lot of statues of men with big swords in London ... and it just so happens there was another right around the corner where the rest of my family had gathered.

I joined the assembly of suits and handbags, and a few clicks and flashes later, my Mum disappeared, saying she had to go to the Whips Office. When you consider that "Garter, King of Arms" and "Black Rod" are the names of British Parliamentary dignitaries, you will realise that the Whips Office is government-related, and not related to whatever it is you had on your mind.

At noon, we entered the Houses of Parliament. No bag search, no metal detectors, no nothing, apart from a couple of doormen and a policeman. Thank God they didn't search my handbag. I would've been consumed with embarrassment had they found the "snowstorm" paper-weight my dear step-sister had just bestowed upon me for my birthday! This delightful glittering object was a clear representation of the highest form of tack. It was not very House of Lords, nor was my sister's outfit for that matter, which likened her to a burnt crinkle-cut chip!

Inside, I was introduced to "Garter, King of Arms," who wore black knickerbockers, black tights and a red vest embellished with gold and decorated with an assortment of important-looking medals and chains. He is the utmost authority in charge of the coats of arms that belong to the aristocratic families of the British Isles.

In the Peers Guest Room we were served champagne and appetisers—it's such a hard life. As we sipped and toasted, Garter, Adrian and I talked about the symbols people choose for their coats of arms.

Adrian, who had flown in from Australia for the event, asked Garter if anyone had ever used kangaroos.

"Yes, indeed," was his reply.

"Koalas?" Adrian asked.

"Yes, we have a couple of koalas. In fact, we had one quite recently. Can you guess who it was?"

Clearly flummoxed, Garter offered us another clue.

"His name is related to the koala's food source."

Nope. I hadn't heard of a Lord Eucalyptus recently.

Garter gave in.

"The gum tree ... gum ... Peter Gummer."

So they had kangaroos, koalas, even armadillos. Obviously, big cats and other fearsome animals are popular. "But what about kittens, puppies and the like?" I asked.

"Oh, we have several cats and dogs" Garter replied, "and a few kittens."

This was conclusive proof, should you ever need it, that the British aristocracy—although clearly animal lovers—is also a bunch of eccentric nuts! It got me thinking about what my Mother should choose, and then it just happened. Her nickname at school just leapt out of my mouth.

"Has anyone used a giraffe? Mum's school friends used to call her 'Joan, the Giraffe.'"

As soon as I said it, I regretted it. The Baroness might have me locked in the Tower of London if she found out.

"Actually, we have a few," he said.

I hope he's forgotten this fact by the time they next meet!

Garter then launched into a soliloquy on the trials and tribulations of wearing tights (pantyhose for our American friends).

"I hate tights" he said, looking directly at me.

"Yes," I thought.

"Stockings are a lot more comfortable."

I thought about mentioning the benefits of hold-ups, but something, thankfully, stopped me.

"They're so damned difficult to get into," Garter continued. "You get one blessed foot in, pull them about a

bit, get the other foot in, and then the phone rings or something else happens that you have to deal with."

It was one of those bizarre moments: Sipping champagne in the House of Lords, while discussing undergarments with Garter, King of Arms.

Lunch was fabulous and just before dessert, my mother was escorted away through a camouflaged panel in the wall to don her ermine-trimmed robes for the ceremony to follow.

We were escorted to the Public Gallery. The introductions were to be Lord Parekh followed by Baroness Walmsley (a.k.a., *mia madre*).

I was too excited to listen to Lord Parekh's oath and soon it was my Mum's turn.

Enter Baroness Walmsley, stage left, her family overlooking the Lord Chancellor on his woosack, her peers gathered on the Lib Dems' section of the Opposition benches.

"I, Joan, Baroness Walmsley do swear by almighty God, that I will be

faithful and bear true allegiance to her Majesty Queen Elizabeth, her heirs and successors, according to law, so help me God."

I clenched my brother's hand tightly and with well-watered eyes, felt an upsurge of emotion.

With a clear and constant voice, she delivered her oath, without a hint of nervousness. It was the proudest moment of my life as I watched her shake hands with the Lord Chancellor, accompanied by a warm, "Here, here,"

from the House. I'm even sure a few of the old codgers woke up. Heads certainly turned (the Baroness is quite a looker!) and elbows twitched.

After about an hour, we left the Lords to their discussions and downstairs, we bade farewell to "My lady."

What an experience. It's not every day your mum is introduced to the House of Lords.

.....
**It was one of life's
 bizarre moments,
 sipping champagne
 and discussing
 undergarmets with
 the King of Arms.**

L-R: Lord Rennard, Baroness Walmsley and Lord McNalley



Looking *forward* at Café Royale

KSA's annual conference in the UK draws large group of participants from within firm and among present and prospective clients

By Suzanne Woodall

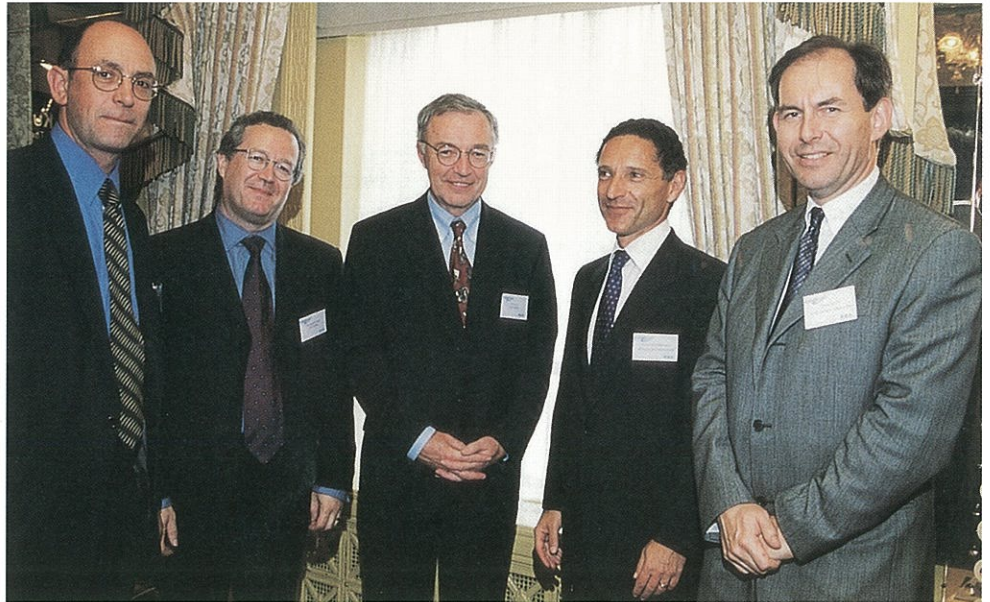
LONDON

KSA's UK practice recently held its annual Looking FORWARD event in the prestigious Café Royal, in the heart of London.

Organized every 12-18 months, this event is held in high regard by clients past and present, and provides an excellent opportunity to catch up with old friends, introduce clients to each other, and nurture relationships with potential future clients.

It is testament to KSA's brand value that we were able to attract such a high profile audience.

The target audience each year is senior-level contacts from past, present and target clients, including directors, managing directors, chairmen and CEOs, from



A few Looking FORWARD: Geoff McGuire, Trevor Kitching, Tony Lee, Jean Louis Simoneau and Tony Smith.

both retail and supply-side companies.

Each Looking FORWARD event is based on a topical theme within the consumer goods industry; the theme for this year's event was *E-commerce: Myths and Realities*.

Well Received

KSAers from the United Kingdom, France, Germany and the United States were joined by over 130 clients, mostly CEOs and directors from the world of retail and consumer goods. Our guests

included Neil McCausland, managing director of C&A; Brian Heilbron, managing director of Talbots; Andrew Rubin, CEO of the Pentland Group; Stan Kaufman, managing director of Allders and many others.

As in previous years, the

Café Royale's cast of characters: Setting the stage for looking FORWARD



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1 Keynote speaker Dave Rush of KSA: "Can 'pure-plays' match the clicks and mortar retailers?"

2 Paul Edwards, chairman and CEO of the Henley Centre: "Virtual retailing in a world of real consumers."

3 Manolis Priniotakis, senior distribution manager with eToys: "What do consumers want? More, better, faster and for less!"

4 Alex Heath, managing director of Virgin Net: "Trials and tribulations—from portal to doorstep."



3

New Officers

event was tremendously well-received by both clients and press representatives, and the presentations made by all speakers proved thought-provoking and timely, given the continuing interest in E-commerce across our industries.

Brand value

It is testament to KSA's brand value that we were able to attract such a high profile audience, particularly given the proliferation of E-commerce events, and the fact that we were head-to-head with a rival E-commerce event being held by the Institute of Directors.

Many guests stayed to enjoy our hospitality, sharing a glass of wine and some canapés late into the evening.



Jerry Black
Tokyo

Jerry joined KSA in 1995 with a broad background in consulting and retail executive management.

As vice president of Inventory Management and Logistics for both Best Products and Northern Automotive Corporation, Jerry developed a deep understanding of merchandising, planning, buying, demand forecasting, replenishment and product allocation in retailing.

Earlier in his career he was with Ernst & Young.

Upon joining KSA, Jerry moved to Japan to assess the viability of establishing a KSA practice there. Through significant personal initiative and dedication, Jerry has led the development of a practice that now numbers more than 35 full-time consultants.

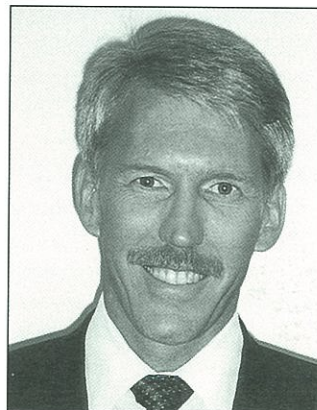
Through Jerry's efforts, and the participation of many other teammates, KSA is now regarded as the thought leader in Japan on supply

chain performance.

KSA's initial major client, Jusco, is the second largest retailer in Japan. This relationship began with an apparel sourcing strategy study and proceeded to ECR strategy, IT strategy, logistics strategy and full-scale implementation of merchandising systems, store systems and logistics facilities and systems.

Jerry has also been instrumental in broadening the Japanese practice to serve P&G, MITI and a number of their companies and key Japanese associations and industry groups. He is now Managing Director of KSA Japan.

Jerry has a degree in business administration from West Virginia University. He resides in Tokyo with his wife, *Sayuri*, and their son, *Nicholas Kenichi*.



Glenn Hershey
Los Angeles

Glenn joined KSA early in 1996 with extensive experience gained in positions at

Garden Spot Foods and Andersen Consulting.

In his relatively short time with KSA, he has been instrumental in helping refocus our Information Technology practice, and he currently is National Director for KSA's Information Technology Services Group in North America.

Glenn's major client relationships include Warner Brothers, Hunt Wesson, Vons and SuperValu. At SuperValu, Glenn has provided value through extensive quality consulting assistance, as well as by serving as an interim senior IT executive (CIO) when the client was conducting a search for a new CIO.

Glenn has been an active sponsor in the initiative to better integrate KSA's service offerings. He is leading a task force on accelerating KSA's presence in the E-business arena. His weekly newsletters have helped communicate KSA's IT vision, success stories and updates on critical IT issues.

Glenn has an undergraduate degree in marketing from Penn State and an MBA from the University of Southern California. Glenn and his wife, *Beverly*, have two sons, *Jeffrey* and *Keith*.

Jim Severyn
Princeton

Jim has played a major role in the development of KSA's Logistics practice in North America.

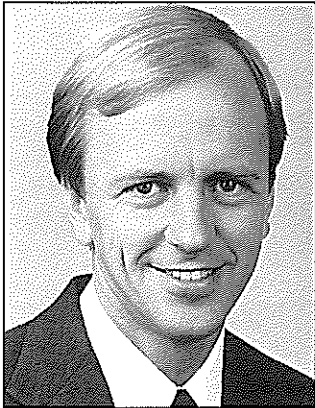
His first 16 years with KSA

WARD



New officers

Continued from previous page



were spent in the Logistics Group, helping build client relationships, developing new colleagues and delivering solid results to clients.

Jim has been directly involved in all key aspects of KSA's Logistics practice, including strategy, planning, productivity enhancement and WMS planning and implementation. Major client engagements include Wolverine World Wide, Unifirst, PVH, Stride Rite, Reebok, QVC, Lippincott, Warnaco and Timberland.

In 1996, Jim joined the Soft Goods Client Service Team as one of its original members. He has been instrumental in its success, leveraging his relationships with his network of clients. He also has been the focal point for our footwear practice, with involvement in most of our efforts in that segment.

Jim holds a bachelor of science degree and an MBA from Notre Dame.

He and his wife, *Suzanne*, live in Princeton.

New Principals

Adelle Kirk New York

Adelle joined KSA in 1994 with two years of consulting experience at Deloitte and Touche and a bachelor's degree from the Woodrow Wilson School of Public and International Affairs at Princeton University.

Adelle is a lynchpin of the New York Strategy practice where she is renowned, both inside and outside KSA, for her expertise in consumer marketing and strategic planning as well as process improvement.

Her industry expertise includes the full spectrum of KSA's Consumer Goods practice, covering apparel, textiles, retail and packaged goods. Clients that have benefited from Adelle's extraordinary energy, expertise and commitment to excellence include Avon, Calvin Klein, Nordstrom, Vanity Fair Intimates, NFL Products, Office Max and Carhartt.

Adelle has been a major contributor to KSA Marketing. She appears frequently on the podium, where she has been a speaker for events such as the Fairchild CEO Summit, KSA's CEO Briefing and the Super-show. She has authored numerous editions of the *Consumer Outlook and Brand Survey*, several *Perspectives* and has been a reg-



ular contributor of articles for *Women's Wear Daily*, *DNR* and *SportStyle*.

During the rare waking moments when not at work, she enjoys golf, family and friends.

Adelle lives in nearby Westchester County with her husband, *Tom*. Their son, *Gavin*, is due to arrive in August.

Tom Bleau New York

Tom joined KSA's PEG IT practice as a Principal in the New York office in April 2000. He came to KSA with more than 25 years of experience building and managing large organizations.

Tom spent two years with Condor Technology Solutions, Inc. as its Director of Consulting, Northeast Region, where he led sales and marketing teams responsible for business development and selling ERP software, related technologies and implementation services. Additionally, Tom directly managed projects implementing ERP systems, automated data collection applications and E-commerce business solutions. Tom launched new CRM practices for Condor Technology Solutions and managed its Northeastern SAP Customer Care Center.

Before joining Condor Technology Solutions, Tom co-

founded Global Core Strategies, a national SAP implementation partnership and value added reseller to the high tech, consumer products, public sector and utility industries.

Tom also spent 19 years at Digital Equipment Corporation, where he was the director of the Western Region Logistics business.

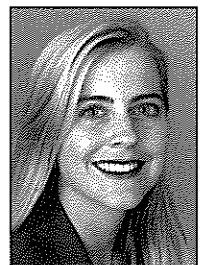
Tom's extensive technical strength is coupled with his expertise in such service areas as supply chain management, point-of-sale systems and data warehousing. During his career, Tom has partnered with clients such as Charrette, Grupo (a Staples competitor in Europe) and Polaroid.

Tom earned a BS in business administration from Worcester State College and his MBA from Clark University.

Jane Griesinger Princeton

Jane joined KSA's Fulfillment group in 1991 after receiving her bachelor of science in industrial engineering from the University of Wisconsin.

In her career at KSA, Jane has developed technical excellence in each of the critical areas in the Logistics practice, including Base Plus®, Continuous Performance Improvement,



White Collar Productivity, Logistics Strategy and Facility planning. Her key KSA clients include Kmart, Jones New York, Norm Thompson, National Geographic and Lillian Vernon.

A positive role model, Jane has been instrumental in developing junior consultants for greater responsibility. Highly regarded as a mentor and advisor, she currently leads Fulfillment's KSAdvisor program, which matches new hires with senior staff in informal mentoring relationships.

Jane serves on the Board of Directors of the YWCA Princeton and chairs the Tribute to Women and Industry event for this organization. She also serves on the University of Wisconsin Industrial Liaison Council. She has authored articles in *Bobbin Magazine* and *Sporting Goods Business* and is featured in the 1999 edition of the book, *100 Great Jobs and How to Get Them*.

Members of the Princeton community, Jane and her husband, *Keith*, welcomed their son, *William*, this past May.

Mitch Kates New York

Mitch joined our firm's Strategy practice this past March. A Canadian citizen, Mitch has resided in New York for the past 11 years.

After completing his undergraduate and MBA programs at University of Toronto, Mitch worked in Marketing and Product Management at General Mills for nine years. He then joined Monitor Company, a lead-

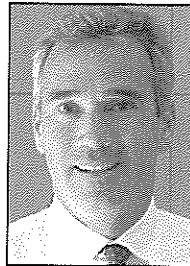
ing global strategy consulting firm and worked as a director for nine years. Mitch also spent a couple of years at Philips-Van Heusen, where he was president of the Izod golf business.

Throughout his consulting career, Mitch has specialized in providing strategic services for manufacturers, distributors, and retailers across a variety of industries. Within the consumer goods sector, he has led major studies in the areas of trade strategy, consumer segmentation, cost analysis, mergers and acquisitions, and corporate portfolio configuration.

Mitch also brings significant experience and perspective from work in Financial Services, Telecommunications, Automotive, Apparel, and Metals. In addition to consulting project work, he has developed and taught strategic management and processes with clients around the world.

Recently, Mitch led research efforts in B2B developments in the apparel and retail sector. Representing KSA, Mitch addressed the 2000 Fairchild Apparel CEO Summit on B2B opportunities in the apparel industry.

Mitch is an avid marathoner and golfer.



Colin McGranahan Atlanta

Colin joined KSA as an Analyst in 1993 upon his graduation from the University of Pennsylvania.

Because of his keen analytical skills, creativity and unceasing hard work, Colin earned promotions to Consultant in 1994, Manager in 1997, and Principal this spring.

Throughout his career at KSA, Colin has developed strong expertise in strategic and process improvement skills as well as financial analysis, consumer research and market research.

KSA clients who have benefited from Colin's intellectual ability, commitment to excellence, and determination include Milliken, Talbot's, Sara Lee, Vanity Fair Mills, WH Smith, Timberland, Genesco, and JW/Edison Brothers.

Colin is currently a member of the Soft Goods CST.

Colin has extended his enthusiasm and drive to various internal initiatives, playing an active role in recruiting, developing junior staff, and teaching KSA classes and Junior Achievement. He has also served on numerous KSA task forces to develop thought-leadership pieces. Most recently, he served on the Work-Life Council.



As a participant in KSA's masters program, Colin returned to his alma mater and earned his MBA from the Wharton School this May. He recently became engaged to his girlfriend, *Carrie Booth*.

Rich Miskewicz Chicago

Rich joined KSA in February as the National Service Director for our Food and Packaged Goods CST.

Rich comes to KSA after 20 years with A.T. Kearney, 15 in North America (Chicago) and 5 in Asia (Hong Kong).

Rich was instrumental in the effort to expand ATK's physical distribution consulting to a full service logistics offering, which grew to a global presence of nearly 300 consultants. He was an active contributor to the book, *Achieving Customer Satisfaction Breakthroughs: Improving Quality and Productivity in the Logistics Process*, which was published by the Council of Logistics Management.

During his career, Rich has led several industry studies for the Grocery Manufacturers of America (GMA), including the 1989 study that identified and quantified inefficiencies in the grocery supply chain. This study is regarded as one of the important precursors to the industry-wide ECR effort. He

New principals

Continued from previous page

led a series of surveys for GMA during the late 1980s/early 1990s and served on the Industry Advisory Council for GMA as one of the original Charter Associates members.

For the past five years, Rich has spent his time in Asia, where he was responsible for the Consumer Goods Practice (from an industry perspective) and Supply Chain Integration Practice (from a functional perspective) across Asia. He also served as managing director of the Greater China consulting operations.

His varied client experiences include Phillips, Cartier, Supervalu, Heineken, San Miguel, Pillsbury (Diagio), Mead-Johnson (Bristol-Myers Squibb), Amway, Harley-Davidson, Kraft Foods, and Sara Lee.

Rich has a bachelors degree in industrial and systems engineering and a masters in engineering management from the University of Dayton.

Rich, his wife, *Mary*, son *Kevin*, and daughter, *Kelly*, enjoy traveling, sports, and warm weather vacations.



New managers

Marc Bessho Atlanta

Before joining KSA in 1998, Marc worked in the public sector, serving eight years in the U.S. Army, and working in both local and federal law enforcement agencies.

After earning his MBA from Georgia State University, Marc joined KSA's Logistics Systems group (now Fulfillment Technology) and has worked primarily on WMS implementations, including Disney Direct Marketing and eToys.com.

In his spare time, Marc is likely to be struggling to complete the next renovation project on his condo or exploring in the woods of north Georgia.



Troy Conover New York

Before joining KSA as a consultant in the PEG-IT group in 1996, Troy earned his BS in management science and information systems at Rutgers University and spent two years as a business analyst with American Management Systems in the Insurance Technology Group.

Since joining KSA, Troy has been working almost exclusively for Jones Apparel Group, where



he has implemented a forecasting system, built a data warehouse, and developed a Web-based application to support communication with Jones' sourcing agents in Asia.

Recently, Troy is splitting time between a merchandise-planning application implementation at Jones and an ERP package selection project at Nine West.

When he is not consulting, Troy lives a "This Old House" life. Under the direction of his wife, *Susan*, he is now beginning the renovation of their new (old) home.

Janet Cunningham Atlanta

Janet joined KSA in 1999 with five years of Category Management experience in the apparel industry.

She began her career at Sara Lee Corp. in the Knit Products division, working exclusively with Kmart during its initial effort to develop Category Management for soft lines.

Janet also worked for Fruit of the Loom, where she developed the company's Category Management department, which crossed all product lines and all retailers.

Since joining KSA, Janet has worked with two key clients, Playtex Apparel and GUESS? Jeans. Her primary focus has been on supply chain reengineering.



Janet earned a BA from the University of Northern Iowa, and an MS from the University of North Carolina, both in clothing and textiles.

In her free time, Janet enjoys spending time with her husband, ???, and dogs, volunteering, walking, hiking and making many trips to Home Depot for her new house.

Scott DiCristina Atlanta

Scott joined KSA's Strategy Spractice in 1995 after earning his AB in economics, French, markets and management from Duke University.

During his career with KSA, Scott's project work has included research, analysis, and implementation for major strategic planning, restructuring and reengineering projects in industries ranging from textiles to apparel.

He has worked with numerous KSA clients including Monsanto, Kmart, Cotton Council International, GUESS? and Vanity Fair Intimates.

Much of his project work has been international, and Scott is fluent in Portuguese and French. He is also involved in KSA marketing and recruiting. He helped write and then produced and directed KSA's NRF 2000 super session presentation, "Expanding Retail Gobally."



Rick Keller Atlanta

Rick joined KSA in 1997 as a consultant in PEG IT after serving five years as an Air Force officer.

Rick earned a BS in economics and a BS in operations research from the Air Force Academy and an MBA from Oklahoma City University.



Rick possesses a high level of technical expertise in enterprise-wide systems including merchandising systems, planning software, database platforms, and several development tools. His project work has focused primarily on the technical aspects of software implementations for such clients as Tiffany & Co., The Maxim Group, and Jusco.

In his spare time, Rick likes to travel and SCUBA dive.

Edwin Lager San Francisco

Edwin joined KSA's IT practice in 1995 after graduating from California Polytechnic State University, San Luis Obispo (Cal Poly) with a BS in industrial engineering.

Edwin's project work has included requirements, package selection, modification design, testing and implementation lifecycle for



a Catalog Management System, Program Management Office (PMO), financials package selection, and system testing and implementation for both retail and apparel clients.

Internally, he participates in recruiting activities at Cal Poly and has assisted with the creation of the PMO methodology.

Edwin has worked with key clients such as Levi Strauss & Co., Hunt Wesson, Liz Claiborne, Liberty House, GUESS? Terminix, Calyx & Corolla and Super Value.

In his free time, Edwin enjoys surfing, tennis, basketball, and cooking.

Philip Michell UK

Philip earned his degree from Brunel University, having participated in the Brunel Manufacturing Engineers Programme.

Before joining KSA, he worked for various manufacturing divisions of APV both in the UK and

Germany. During this period, he spent time managing a range of functional areas including Quality Assurance, Systems Engineering & Support, and Production.

Since joining KSA in January 1997, he has worked for a wide variety of manufacturing and retail clients on assignments spanning strategy through process reengineering, sourcing, new product development and quality assurance.



Among Philip's key clients are Tesco, J Sainsbury, Visa International, WHSmith, as well as a number of key suppliers to Marks and Spencer and Next.

Enrique Morales Atlanta

Before joining KSA's Logistics Practice in 1996, Enrique earned his BS in industrial and systems engineering from Virginia Tech.

Enrique has worked on facility startups, WMS implementations, and Base Plus®/CPI projects for key clients such as Tiffany & Co., Haggar Clothing Co. and eToys. Additionally, he has worked on Supply Chain strategy and Inventory Effectiveness projects for Kmart.

As a relocater in the Logistics Practice, Enrique has lived in Dallas, New Jersey, Detroit, Utah, and Danville, Virginia, where he is currently helping eToys with a new Distribution Center.

Enrique has devoted a great deal of his effort to KSA on-campus recruiting activities at both the University of Arizona and the University of Michigan, where he is currently the campus lead.

Enrique enjoys playing golf, tennis, mountain climbing, following college football and riding his motorcycle.

Kedar Nadkarni Atlanta

Kedar joined KSA's Operations group in 1995.

His successful career in the consumer products industry is characterized by efficiency improvements in both the manufacturing and distribution aspects of supply chain.

In his consulting engagements, he has participated in all phases of the business development life cycle. His project work has spanned various areas, including manufacturing, IT, sourcing and strategy, logistics and benchmarking.

Kedar has worked with clients such as Wnetx and Artex in Brazil, Vanity Fair Intimates, Levi Strauss & Co., Nordstrom, Wolverine World Wide, Thomaston Mills and Liz Claiborne.

Before joining KSA, Kedar earned a BS in textile engineering from Georgia Tech. Additionally, he is a member of America's Textile International (ATI).

Fergus Nolan UK

Fergus joined KSA in June 1996 from Procter & Gamble, where he worked in a number of the company's divisions in a variety of IT management roles.

At KSA, Fergus has led and participated in a wide variety of engagements focusing on effective deployment of information systems to enhance business,



New Managers

Continued from previous page

operations and supply chain performance.

He has worked with key clients including Argos (part of GUS), Vodafone Airtouché, WHSmith, Early Learning Centre and—recently during an extended assignment to Japan—Jusco.

Fergus will shortly return to our European office where he will play a leading role in the development of our IT service group with particular focus on the grocery and fast-moving-consumer-goods markets.

He has a bachelors' degree in management science and industrial systems from Trinity College, Dublin.

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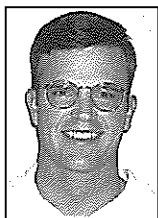
Jim Orchison San Francisco

Jim joined KSA following a stint at a start-up company and after completing the MBA program at the University of Washington in Seattle.

Before that, Jim worked in health plan design and administration for Varian Associates.

Since joining KSA, Jim has worked at a variety of health care organizations, including Kaiser Permanente and his alma mater, the University of Washington. His expertise includes strategic planning and physician network development.

Jim has played a major role in several large HSD engage-



ments, including the development of clinical facility strategies for UCSD Healthcare. He also coordinates the recruiting efforts for HSD on the West Coast.

Jim enjoys the opportunities and activities the city offers, outdoor adventures, sporting events, and cashing in frequent-flyer miles on interesting travel destinations.

Gabrielle Pyle Princeton

Gabrielle joined KSA's Logistics group in 1985 after graduating from Rutgers College of Engineering with a BS in Industrial Engineering.

During her time at KSA, Gabrielle has worked in analysis of distribution network configurations, labor market surveys, distribution center designs, as well as maintaining the Logistics Body of Knowledge.

The many clients she has worked with include Liz Claiborne, Polo, Consolidated Stores, Southern States Cooperative, Jones New York, Blair, Federated Department Stores, Federated Direct, and DFS.

Internally, Gabrielle played a key role in coordinating the renovation of the Princeton Office and in "Bring Your Child to Work Day."

Outside the office, Gabrielle and her husband, Greg, can be found playing volleyball and encouraging their daughters at various athletic events.

Photo not available.

Scott Spring Atlanta

Scott joined KSA in 1997 as a member of the Strategy Services group in Atlanta. He has worked with both manufacturing and retail clients on a wide range of strategic issues, including financial planning, market analysis, brand positioning, consumer research and acquisition due diligence.



Scott's client base includes Michelin, VF Corp., Tarrant Apparel and Carter's.

He is a frequent contributor to business development efforts, and also serves as campus executive for MBA recruiting at Indiana University, where he earned his MBA.

In September, Scott will relocate to Düsseldorf to join KSA Germany.

Scott, his wife, Jennifer, and their two children, Anna (3) and Matthew (2 months), look forward to enjoying the finest Brötchen and Bier that Germany has to offer. Scott is an avid international traveler and sailor.

Denise Trostle Atlanta

Since joining KSA in 1981, Denise has worked for the PD (Physical Distribution), Distribution, Logistics, Logistics Systems, and now the Fulfillment service groups.

She's not a job hopper—she has just been at KSA long enough to experience the group's name changes to reflect the times.

Aside from five years spent as Dave Cole's administrative assistant, Denise has spent her career assigned to the Fulfillment group, specifically the Technical Services Department. Her focus has been primarily on the installation and support of Control Plus®, the software that supports the Base Plus® incentive program in distribution centers and call centers.

During her tenure in this group, she has worked with more than 70 clients, including Nike, Reebok, Neiman Marcus, Blockbuster, Franklin Mint, Macy's and Bloomingdale's.



Denise is a graduate of Pennsylvania State University and is strictly a fair-weather fan who's not been above exercising bragging rights after the many Penn State victories over colleagues' alma maters.

Scott Walters Minneapolis

Scott has experienced and contributed to a wide variety of engagements in many client settings.

One of Scott's strengths is his ability to work with people at all levels within a client organization, ranging from administrative assistants to CEOs. Examples of large complex clients Scott has worked with include the Beth Israel Deaconess in Boston and Health Partners in Minneapolis.

In addition to being one of the most sought-after consultants to work on and manage projects, Scott makes significant contribu-

tions in recruiting (office coordinator) and is known for taking the time to mentor and teach new colleagues.



Before joining KSA, Scott received his MHA from the University of Minnesota; he also has a JD from the University of Iowa.

Scott and his wife, *Kim*, a fellow consultant, enjoy traveling and visiting friends. His travels include recent visits to Boston and Mali!

Amy Wimpey

Atlanta

Amy came to KSA in 1998 from Children's Medical Center of Dallas, where she served as the director of General Pediatrics.

Her many responsibilities included oversight of the pediatric organ transplantation program.

Since joining KSA, she has been a major contributor on a number of large and challenging projects, including managing the majority of our work with Duke University Health System on the development of both corporate and hospital unit strategies, as well as significant strategy assignments with the health systems at Mount Sinai-NYU, the University of Kentucky, and the University of Chicago.

Amy received her MHA from Washington University in

St. Louis, and—a zealous Texan—her BA from the University of Texas in Austin.

Between being an avid runner, overseeing subcontractors in her new home, and plotting interesting vacation ventures, Amy is active in the community, serving as a Big Sister and supporting Children's Health Care of Atlanta.

Mark Woodrow

Atlanta

Mark joined KSA's Retail and Direct Marketing CST with 15 years of catalog industry experience in marketing and database management. Past positions include director of marketing for The Coca-Cola Catalog and Database Marketing Manager for Sportime International.

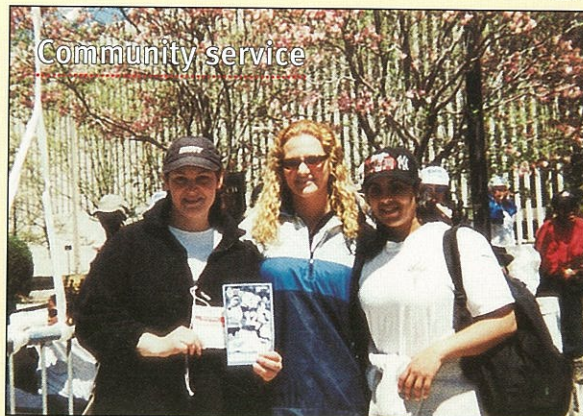


Since joining KSA, Mark has worked on a variety of projects, including third-party fulfillment searches, market assessments, marketing program development and merger/acquisition work.

His clients include National Geographic Society, Vanity Fair, JCPenney, Tavolo, Talbots, Jbkids.com, and Tiburon.

Mark earned a BS in natural resources from Ohio State University and his MBA from Georgia State University.

In his spare time, Mark enjoys spending time with his wife, *Natalie*, and daughter, *Anna*, and running, photography, cooking, and occasional backpacking and canoeing excursions.



KSA walks the walk

By Caitlin Scorpio

KSA's New York office fielded its first team for the annual March of Dimes walkathon this year, in what the staff hopes will become a tradition. Team members *Caitlin Scorpio*, *Claudia Geiger* and *Palak Solanki* (above, left to right) represented KSA at WalkAmerica 2000 on April 30, 2000, along with about 15,000 other enthusiastic supporters of the famous charity.

Led by the great former pro football quarterback for the NY Jets, Joe Namath, the throng took over the streets of Manhattan from Lincoln Center to Washington Square Park and back, with the triumphant finishers hoofing over 10 miles.

Your KSA team not only finished, but did so in near-record time.

The March of Dimes walkathon—"the walk that saves babies"—is one of the nation's largest and most highly visible fund-raising events, and its dollars support lifesaving research and community programs that save babies from birth defects, low birthweight and infant death. Each year, many NYC corporations—including many of our clients and competitors—field WalkAmerica teams, or support the cause with sponsorships.

KSA became involved as a result of our Kmart relationship. Kmart, in addition to being a national sponsor, is also a highly visible presence because of the efforts of actress Kathy Ireland and CEO Floyd Hall.

KSA raised \$1,110 this year for the March of Dimes, through support of personal donations from KSAers (special thanks to *Jennifer Shapirio*, who hit up her family and friends for \$180) and KSA's matching corporate gift.

Next year, we hope to get more people walking for KSA and the March of Dimes, with even more sponsorship dollars behind them.

If you would like to get involved with the March of Dimes WalkAmerica 2001 campaign, it's not too early to start. Contact Caitlin Scorpio in the New York office for more information.

Milestones

Congratulations to Jane and Keith Griesinger on the birth of a son, William Keith, May 24.

Randy and Kelly Unger on the birth of a daughter, Sophia Marie, May 22.

Scott Vanags and Kristen Eller, married May 20.

Scott and Jennifer Spring on the birth of a son, Matthew Dale, May 9.

Jeff and Susan Boudreau on the birth of a son, Dietrich, May 5.

Rezarta and David Larkin on the birth of a daughter, Luka-Gabrielle, May 21.

Congratulations to the following KSAers for completing their MBAs:

- Sarah Davis (Columbia)
- Rod West (Emory)
- Dave Bassuk (NYU)
- Colin McGranahan (Wharton)

The Observer

Publishers ... Butch Price
Pam Beckerman

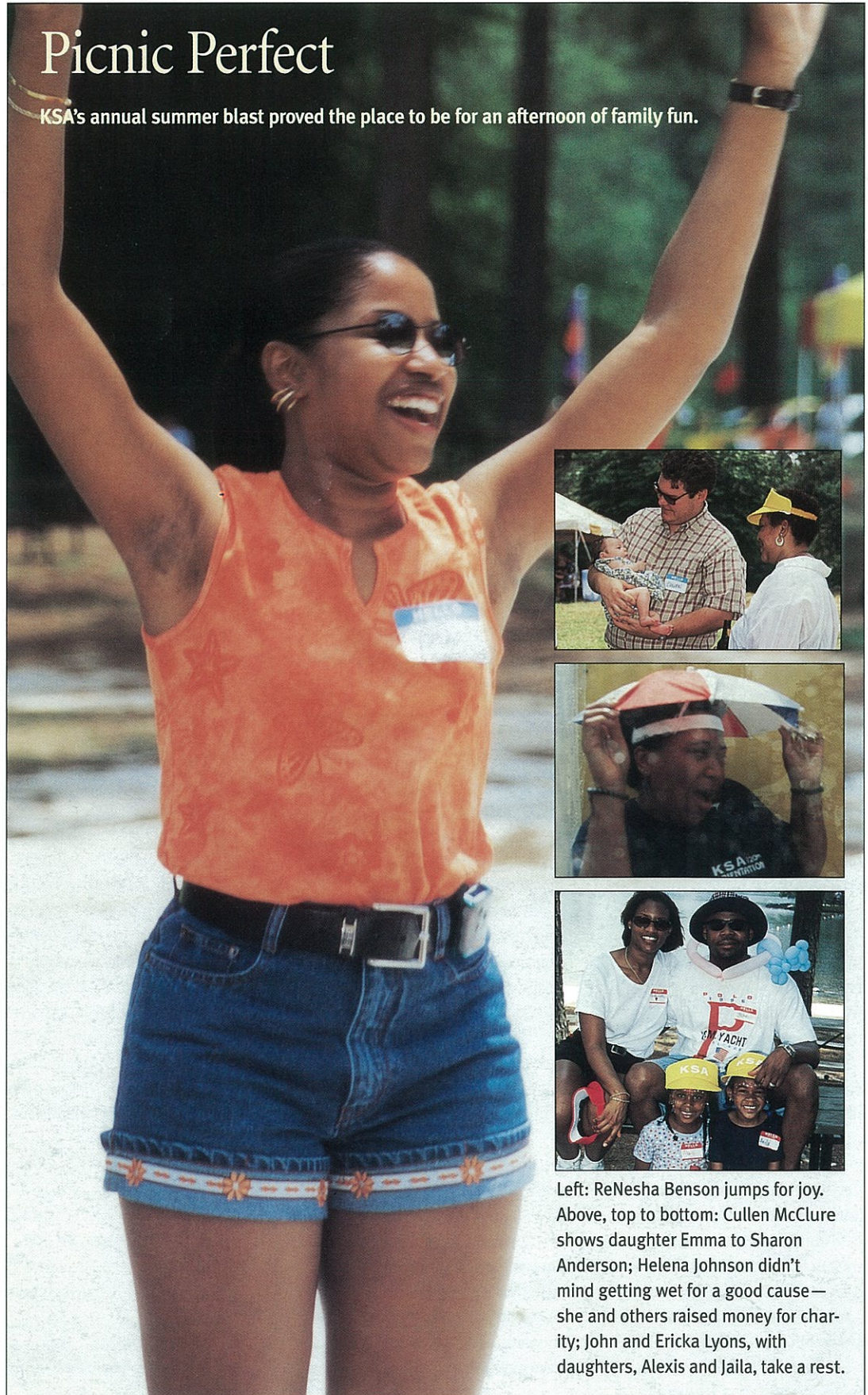
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Picnic Perfect

KSA's annual summer blast proved the place to be for an afternoon of family fun.



Left: ReNesha Benson jumps for joy. Above, top to bottom: Cullen McClure shows daughter Emma to Sharon Anderson; Helena Johnson didn't mind getting wet for a good cause—she and others raised money for charity; John and Ericka Lyons, with daughters, Alexis and Jaila, take a rest.