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## Journey to Japan

By Lynn Senior

Former KSAer, Keiko Inuzuka, invited me to visit Japan in mid-July, and agreed to be my personal tour guide for the duration of my two-week visit. Even though July is one of Japan's warmest and most humid months of the year, it was an offer I could not refuse.

Once I arrived, temperatures reached 34°C (93°F), with humidity above 90°C (unheard of at home in Southern California). To survive the heat, we collected paper, hand-held fans that displayed retail advertisements. Not only were they necessary to keep cool, they turned out to be fun souvenirs.

In Tokyo, we began our trip with a 4:30 a.m. visit to the Tsukiji Fish Market auction, customarily closed to the public. All seafood sold in Tokyo comes there before becoming sushi and sashimi. We witnessed the early morning hustle and bustle of preparing for the auctioning of fresh and frozen tuna, as well as other live sea

creatures. Large tuna were trucked from fishing boats to warehouses, where they were weighed and tagged for auction. Prospective buyers inspected each fish by viewing and tasting the meat at the tail, which had been removed.

After several hours of preparing hundreds of fish, the wild and fast-paced auction took place. The special language of the auctioneer was not even understood by our native guide! We were told some of the large tuna sell for as much as \$10,000. Following the auction, the real work began. The fish were loaded onto carts (either motor or hand-pulled) and transported to waiting trucks or into other warehouses, wholesalers, and intermediary stalls.

Fish were then cut and prepared for sale to restaurants, retail stores, and other buyers. Frozen tuna were cut by electric saws, while fresh tuna were skillfully carved by masters of the trade.

*(Continued on page 12)*

A hand-pulled float in a parade in Japan





# Moving Forward Together

By Bill Pace



**We've made great progress on our business building initiatives this year and have responded effectively to several challenges. For example:**

- We opened a small office in Shanghai and are already looking for larger space. Increasingly, U.S. clients and prospects are making plans to enter the Chinese market. KSA is uniquely positioned to help clients with their entry strategies and implementation plans. We expect the new office to bring new clients, engagements, and opportunities.
- We made significant headway in boosting our ability to measure and market the firm's services. The Business Outcomes initiative provides powerful frameworks, methodologies, and communication vehicles for calibrating our impact with clients and marketing our services.
- Equally, we made great strides in developing our Accelerators Programme,

which will give us powerful, common approaches for selling and delivering our CPD services around the world.

- We were listed among the "Top 10 Consulting Firms to Work For" by *Consulting Magazine* for the second year running (No. 5 this year vs. No. 7 last year).
- We began the succession process for a European Managing Director. The Succession Committee (Alan Braithwaite, Jean-Louis Simoneau, and myself) is hard at work assessing candidates within the firm for this important position. I plan to have a recommendation for the Board at the December meeting.

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**"...we have made great strides in developing our Accelerators Programme, which will give us powerful, common approaches for selling and delivering our CPD services around the world."**

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- We are in the midst of a successful leadership transition in North America CPD; Jerry Black is assuming the role of Managing Director. Jerry brings a wealth of leadership, talent, and consulting knowledge to the role — along with a track record of success and innovation. Since joining the firm in 1995, Jerry launched our Asian practice and built our largest client relationship to date, Aeon. He provided direction

to the U.S. Technology, Innovation and Enablement (TI&E), and Value Chain Execution (VCE) practices, upgraded our global client development practices, co-authored our five-year strategy, and spearheaded the Business Outcomes initiative. He will now focus his substantial vision and drive on growing NA CPD.

I would like to thank Phil Kowalczyk for his insightful and inspirational leadership of NA CPD, the camaraderie he brought to the Global Leadership Team (GLT), and the countless contributions he made to our clients during his career at KSA. We wish him the best in his new role at Talbots.

- To forward our goal of building the best professionals, we advanced skills development by offering the Building Business Bridges program in the United States, Europe, and Asia this year. We also implemented a new performance management and compensation program for consulting staff in North America. A new global performance management and development program has been created as well, and will be implemented for Principals in early 2005.
- KSA teams have achieved tremendous business transformation results for our clients, including May Co., Mervyn's, and Mothercare, among numerous others.

*Thank you for your contributions during 2004. I wish your families and you a safe and enjoyable holiday season. I look forward to working with all of you to accomplish even more in 2005.*



# KSA to Celebrate 70 Years of Excellence

By Butch Price

## KURT SALMON ASSOCIATES

*Celebrating 70 Years of Excellence*

In 2005, KSA will celebrate its 70th anniversary as a global consulting leader. In 1935, Kurt Salmon set KSA in motion when he incorporated his modest one-man consultancy. We have been helping clients achieve meaningful results ever since.

KSA has undergone many changes since it began as an apparel manufacturing specialist in the southeast United States. It has grown into a global, full-service consulting firm to leading retail, consumer products, and health care organizations. However, the core values Kurt instilled remain the same today. We strive to serve our clients to the highest standards, grow our staff through individual development, and excel as a global consulting firm.

### Service to our Clients

Through our devotion to performance and integrity, KSA is now known by retail, consumer products, and health care leaders throughout Europe, Asia, and the Americas. In addition to being experts in our chosen industries, KSA continues to follow the principles Kurt outlined in a speech commemorating

our 30th anniversary:

- Be honest with our clients.
- Treat them the way we would want to be treated.
- Promise no more than we are certain we can accomplish.
- Do our best to try to accomplish more than we promise.
- Place our clients' interests above considerations of our own financial gain.

These principles continue to serve as the cornerstones of KSA's success.

### Individual Development

As we celebrated our 50th anniversary 20 years ago, Dave Cole and Stig Kry reminded us that "we will continue to emphasize the humanistic corporate culture that has made KSA such a special place for 50 years. We care about the individual and accept the obligation to provide a stimulating and rewarding career environment to each of our associates. This is one of Kurt's

particular legacies, and it has always distinguished KSA from its competitors." This commitment remains true today and is reflected in such prestigious honors as our second consecutive win of *Consulting Magazine's* "Top 10 Companies to Work For."

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Through our devotion to performance and integrity, KSA is now known by retail, consumer products, and health care leaders throughout Europe, Asia, and the Americas.

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### 70 Years of Excellence

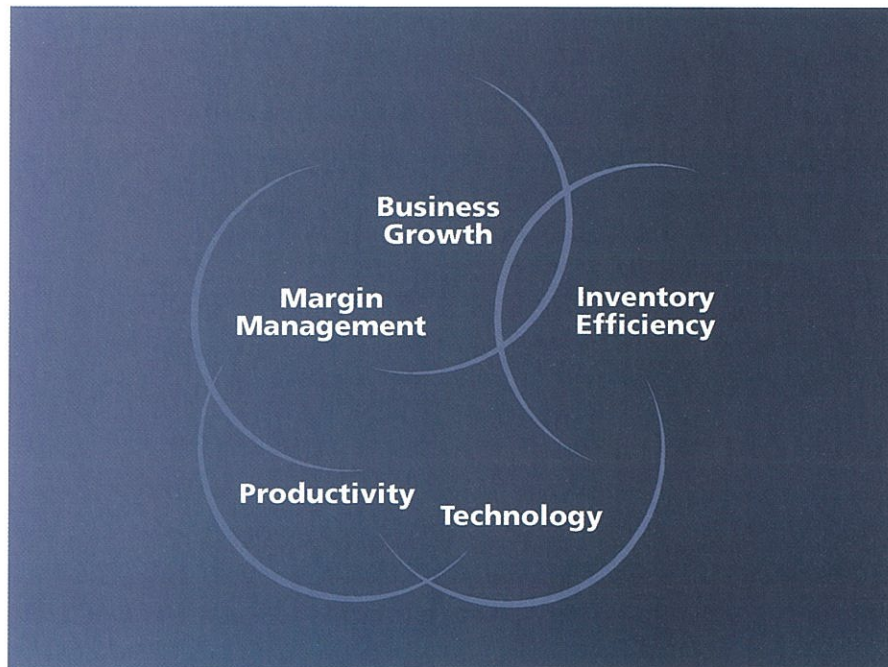
Service to clients and individual development are the main ingredients of our success as a leading consulting firm. As we look back with pride at 70 years of excellence in consulting, we can also look ahead to a promising future through our focus on providing clients with outstanding sustainable results, and enabling our people to have the opportunities to fully develop their capabilities.

KSA will roll out its 70th year anniversary celebration beginning January 2005. Stay tuned for further details.



# Accelerating Avenues to Effective Marketing

By Kirsten Focken



*The Accelerators Programme*

One of our most important strategic initiatives is to articulate, track, and measure the impact, results, and benefits of our services. A new approach to communicating KSA's unique market proposition has been developed in Europe, and will be adopted globally in the coming months. This exciting program will be combined with the global Business Outcomes program to greatly expand our ability to deliver and measure meaningful client results.

When we first began the process, we considered how we wanted to be seen by our clients and the market in general. In Marketing, the question was about our brand promise and positioning. The answer to this question should, of course, reflect our clients' needs and interests and our own strategic business objectives.

As we first thought about our clients, we quickly came to the conclusion that their main interests are results and outcomes. The key to KSA's positioning is our focus on our target markets.

Many months of discussion led to the five major outcomes under which we then grouped our services into: Business Growth, Margin Management, Inventory Efficiency, Productivity, and Technology.

We named this outcomes initiative the Accelerators Programme. Because KSA is focused on target markets, we know the industries and customers our clients serve. Working with KSA, our clients achieve results faster because they are able to accelerate methodologies quickly. We developed integrated programmes focused on major business results, including our

specific solution competence and strong implementation skills.

To demonstrate to the market that we know and understand the key objectives, trends, and challenges, and respond to the client's specific needs, we developed a viewpoint on a key issue for each Accelerators Programme, which includes a number of drivers or key factors that can be used to tailor the approach for a specific client, its offer to the market, or product categories. KSA's solutions and services, or accelerators, are then defined and tailored to these specific requirements.

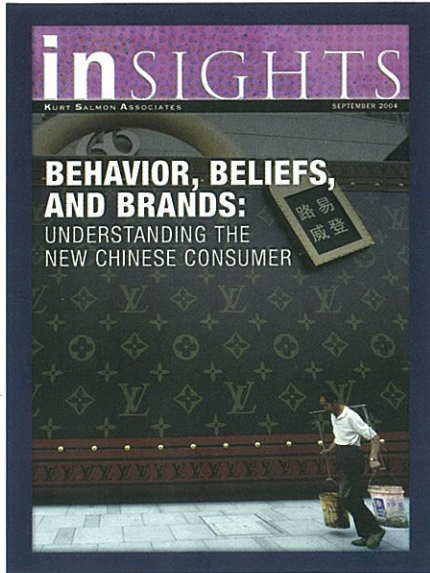
The European Leadership Team played an active role in all stages of discussing, designing, elaborating, and reviewing, which was critical to sustaining momentum over a period of many months. Today we have an excellent base that not only facilitates our approach to the market, but excites clients and opens doors to business leaders. It also provides a great starting point to develop additional ideas. The European Marketing Team will continue to manage the development and implementation of exciting new communication tools.

The approach and continuous work of aligning customers' requirements with KSA's competencies is the basis for developing strong and effective marketing messages that position KSA as the leader in our target markets. The next step is executing and reinforcing the programme by repeating the messages and telling the story in each interaction with customers and potential customers.



# China Consumer Outlook Focuses on Loyalty

By Mohan Komanduri



The inaugural KSA China Consumer Outlook was published in September. The team that created it was led by Atiff Gill and comprised of members from both sides of the Pacific: Cara (SaoBento) Boyce, Linsun Cheng, Mohan Komanduri, Katherine Lombardo, Merrill Weingrod, and Gary Wong.

This marks a milestone in our 70-year history — the beginning of our push into Asia's frontier, China. We leveraged our decade of experience creating Consumer Outlooks in North America, Europe, India, and Japan to craft a questionnaire unique to the Chinese consumer landscape.

We embarked on creating the China Consumer Outlook to provide our clients insights into how they can get consumers to spend more money on

their brands or in their stores. Our journey to complete this inaugural edition provided us with some surprising insights.

## Chinese Sophistication

Chinese consumers are quickly becoming more sophisticated. These consumers no longer strive to find only the best price, but seek the best value as well.

The message to foreign entrants is this: Be vigilant about product quality if you wish to enter the market using unproven local Chinese sources for your product. Product pricing may influence the consumer to test your brand, but quality and value will keep her coming back to purchase from you.

## Brand Preferences

Chinese consumers' preferences for foreign or local brands differ greatly depending on the type of products they are buying. In electronics and home improvement, the consumer has a strong preference for foreign brands over local ones. In the food and personal care products categories, Chinese consumers prefer local brands 2-to-1 over foreign ones.

In apparel and footwear, mainstream consumers did not show a preference for foreign or local brands. However, both higher income and younger consumers told us they have a strong preference for foreign-branded apparel and footwear products.

To entice consumers who do have a preference, food and personal care market entrants should focus on building unique brand images that are decidedly Chinese. Also, electronics and home improvement entrants should retain their foreign identities. Foreign apparel and footwear entrants should target higher income and younger consumers to gain initial traction and establish market share.

## Brand Loyalty

Chinese consumers told us they remain loyal to brands that provide high quality products, make them feel good about themselves, and care about their customers. The No. 1 reason Chinese consumers test new brands is based on attractive features and price. High-quality, feature-rich products will build consumer brand loyalty. The perception of value will keep them from testing other brands.

## Meeting Our Objective

KSA's success with the China Consumer Outlook will be measured by the number of clients who have successfully established or expanded their market presence in China with our assistance. As a global firm, we will meet this objective by revealing KSA's insights about the Chinese consumer to each of our clients around the world.



# KSA Delivers IT Strategy for Bear Creek

By Heather Blonkenfeld and Jason Moy



*Bear Creek Headquarters*

Maybe you've visited the mall and walked by one of its specialty stores selling fruit, gift baskets, and assorted candies. Maybe you've purchased a gift or two from its catalogs. Or maybe you've even been lucky enough to receive one of its gift baskets in the mail. Whatever your experience, Bear Creek wants to be your preferred specialty food gift retailer for the holiday season. In fact, holiday gift orders will account for approximately 70% of Bear Creek's annual revenue of \$500 million.

If you're not familiar with the Bear Creek name, you may know it as Harry and David, the specialty food retailer found via mail-order catalogs and 145 retail locations across the country. Harry and David offers a wide selection of food-related items, including its famous Royal Riviera pears, Moose Munch Crunch (a highly

addictive caramel popcorn), chocolate-filled fruit, and numerous other delectable goodies. Also, horticulturists may know Bear Creek's famous rose growing business, Jackson and Perkins.

Previously part of the Japanese conglomerate Yamanouchi Consumer, Inc., Bear Creek was recently acquired by the investment firm Wasserstein & Company. In a great example of a cross-functional engagement, KSA is assisting Bear Creek with both an IT strategy and overall brand and growth strategy.

While the Growth & Profitability (G&P) team has been busy conducting focus groups around the country, the Technology Innovation & Enablement (TI&E) team has made a temporary home in Medford, Ore. Camped out in the IT building behind an on-campus duck pond, Jeff Kyser, Lester Lam,

Jason Moy, Ed Ross, Ken Wilkes, and Robert Wong have been busy evaluating the many facets of the IT organization. Also assisting are company subject matter experts, Mike Anderson and Gary Cochran.

The overall objective of the IT engagement is twofold: Realign Bear Creek's post-acquisition IT costs and ensure its IT organization can effectively support the existing business and future growth plans KSA's G&P superstars recommend. By framing the project to examine all aspects of IT — enterprise applications, infrastructure, IT practices, IT organization, and financials — the KSA team will present a comprehensive assessment of the current organization, identifying key areas for improvement.

Furthermore, KSA will deliver a final set of recommendations to help streamline Bear Creek's IT department, as well as create an IT "roadmap" of strategic direction and investment strategy to allow it to more efficiently support business for many years to come.

As KSA expands its IT strategy offering, we will continue to deliver industry-specific thought leadership and tangible business outcomes for our IT strategy clients. Additionally, our work at Bear Creek provides an excellent model for the type of cross-functional business transformation engagements that will allow KSA to strengthen its reputation as a trusted business advisor.

Although the project has not concluded, the client has already seen results, including a brand roadmap for every division of the company.



## KSA in Top 10 — Again!

KSA is thrilled to report we are, once again, ranked one of the “Top 10 Firms to Work For” by *Consulting Magazine*. This year, we ranked No. 5. Last year, we ranked No. 7. For the rankings, *Consulting Magazine* surveyed more than 4,000 U.S.-based consultants at 32 firms. Firms were scored by their employees’ responses to questions in six equally-weighted categories: Leadership, Compensation & Benefits, Culture, On the Job, Work/Life, and Career Development.

### KSAers answered the following questions:

- How would you rate employee morale?

*Eighty-two percent of KSAers report “Very high/High morale.”*

- How often do you feel your firm is meeting your client’s needs?

*Eighty-nine percent said “Always” or “Very frequently.”*

- How often do you find it easy to deliver on commitments?

*Ninety-seven percent said “Always” or “Frequently.”*

- How satisfied are you with your firm’s flexible work arrangements?

*Ninety-four percent said “Very satisfied/Satisfied.”*

- How interesting is your work?

*Seventy-four percent said “Stimulating” and 24% said “Somewhat stimulating.”*

Congratulations to all KSA colleagues! Please spread the word among clients and recruits.

## Delhaize Belgium RFID Pilot Goes Live

By Julien Bourdinere

Leading retailers such as Albertsons, Metro Group, Target, Tesco, and Walmart have announced major roll-out plans of Radio Frequency Identification (RFID) with their top suppliers. The “RFID smart tag,” a tag that emits radio signals that are picked up by readers and transmitted to a company’s information systems, has become one of the first interests of most retailers. As a result, many RFID pilots have been initiated by “fast followers” around the world, most of them focusing on testing the technology and its impacts on the supply chain.

The Delhaize Group is no exception. It has initiated an ambitious RFID project worldwide, and aims to test the technology with two different pilots: one at Hannaford using RFID chips on pallets delivered by suppliers, and one at the Delhaize Belgium distribution centre (DC) tracking reusable plastic cases of fresh meat from DC to stores and back.

With several projects at Hannaford and Food Lion in the United States, KSA is a long-term consultant to the Delhaize group, and was selected as Delhaize’s overall RFID consulting partner in both the United States and Europe. Mark Chandler is leading the project from the United States, with Pascal Petit on the European side. The project commenced in June 2004 and will run until September 2005.

The Delhaize Belgium pilot was the first to go live and took place recently. Many hurdles were overcome to bring this experiment to life, most of which were practical technology issues, including:

- The signal strength, or read range, of the RFID readers was much

longer than expected. Our biggest challenge was to avoid reading tags on cases that were still on the truck.

- Correctly affixing tags on plastic cases that are cleaned at 90°C in a washing machine each time they return to the DC every three to four days. Most of the existing solutions would kill or detach the tag from the case after a few cycles.

Now that the Belgium pilot is live, the next phase is to assess the pilot for technical performance and its business process impact and benefits. One of the major expected benefits relies on supply chain visibility, as RFID will provide a way to evaluate — without effort — many supply chain indicators that could not be measured before (see page 11 for additional details). The full supply chain cycle will be revealed, providing Delhaize with deeper insight into the fresh meat supply chain.

KSA will also improve Delhaize’s supply chain performance. We expect to understand and reduce leakage — which was previously not even measured. Some of the DC operations will be simplified, controls will be faster, and the case washing process will be accelerated. We’re also planning to work with Delhaize on the pilot assessment in the coming months.

And this is just a start! The Hannaford pilot will begin in the United States in early 2005; the final expected result for the Delhaize Group is a recommended roll-out plan. For KSA consultants, this could lead to more RFID projects, and the creation of hundreds of readers and millions of smart tags.



# Implementing Lawson Merchandising at Pathmark

By Alison Mayer



Lester Lam, John Jantson, Alison Mayer, and Rich Garodnick at Yankee Stadium in New York

**As a Midwestern girl finally making her way to the East Coast, I've been asked several times about my first impressions of New Jersey. Immediately, I recall one event:**

My first day at Pathmark, a grocery retail chain located in Carteret, N.J., began with a trip on the New Jersey Turnpike. Upon exiting Newark Airport, I found myself heading north instead of south as I had intended. I paid the toll and exited the turnpike to make a U-turn when a semi truck, which had taken the entrance to the turnpike too quickly, rushed toward my rental car. As the truck tipped over, I swerved out of the way. The truck, not as fortunate as I, ended up on its side. Since there were no injuries in the accident, I was able to continue driving to the client site.

But I'm getting ahead of myself. Let me start from the beginning. Pathmark

was established in 1968, and currently operates 144 supermarkets across New York, New Jersey, Pennsylvania, and Delaware.

Pathmark identified a need for new merchandising systems, driven by the fact that several existing systems are aging and do not provide the functionality, integration, and flexibility required to support current and future business needs. Pathmark began investigating options in April 2001 and had identified Armature as a possible solution, but was also looking at other packages, such as JDA.

In May 2003, Pathmark selected the Lawson Merchandising suite as the core business system to support its future needs. The Lawson solution, combined with other recently implemented systems and infrastructure, will provide Pathmark with greatly improved capability to respond to the

continually increasing competitive pressure in the grocery industry.

To support this implementation, KSA was selected to provide project management, lead and support business definition, implement previous Lawson software experience, and provide guidance and expertise to manage the change process.

KSA assembled a team with the desired experience, including Kathryn Cullen, Rich Garodnick, John Jantson, Jeremy Rubman, and me.

As the project has progressed, we have added additional team members and expanded KSA's role. Renee Bryant has led training and data conversion efforts; Lester Lam has assisted in the financial upgrade and integration of Lawson Merchandising; Robert Wong has been involved in the testing effort; and Erik LaValle has assisted in the data conversion effort. Adi Zukerman has also joined the team.

The Pathmark Merchandising Supply Chain Initiative (PMSCI) officially began in 2003. It was the start to a project that has been in the pipeline for more than two years. After a week of planning, the team dove into the first phase, beginning with Application Exploration and Business Process Development.

Because the project is such a large implementation, it has been divided into five phases. Phase 1 has been completed. Planning for Phase 2 began in August 2004 and is well underway. The target go-live for Phase 2 is early 2006.



# Making it at May Company

By David Bassuk and Stephan Findikyan

She could barely see the turnoff as her taxi approached LaGuardia Airport. Something about the pre-dawn fog added to the mystery of her adventure. It was, after all, her first day at KSA, and as a new consultant, Marsha [Kublall] was being shuttled off to a client site in St. Louis, which she knew nothing about. She was told, "Get on the first flight out." There was no time to waste. Her computer and office setup would have to be arranged later. Clutching her black pashmina shawl for warmth, she wondered, "What is May Company? Why am I needed there so urgently? Is there a Barney's in St. Louis?"

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**...as she prepared to disengage from the project at May, she reflected on the enormity of her experience: She had impacted a high-value initiative with a premier client, increased revenue, and decreased cost.**

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Just a few blocks from the towering Gateway Arch, Marsha arrived at the Railway Exchange Building — a 100-year-old building with a dated interior. Upon meeting her teammates, Marsha was relieved. They instantly impressed her with their intellect and good looks. The day quickly disappeared amid a frenzy of tasks, meetings, and phone calls. As the team scurried around the office, Marsha tried to comprehend the foreign language they spoke: "The CLI with the OSO wasn't on the C2! MMC can't make it because there's a BMO in NY."



*KSAers celebrate with the President, Chairman, and client team members of May Merchandising Company*

As the team began implementing its designs of the new product development processes and organizational changes they had designed, Marsha began to see the results. The new calendar, which Marsha developed, proved to the client that faster is better by helping them achieve their corporate strategy of attracting younger customers with more fashionable merchandise, and thereby differentiating May from its competition. Indeed, the whole team was energized by the myriad of successes it achieved.

As the months passed, the project built on its early successes and began to take off. Ancillary projects sprouted up in other areas, such as the launch of a new proprietary home products line, more brand positioning work, and a wider implementation rollout.

During the months that followed, Marsha reveled in new adventures in

St. Louis. She bowled with rapper, Nelly, at his favorite hometown bar, danced with musician, Peter Gabriel, at a Prince concert, and dined on some of the best sushi she'd ever had.

Summer came, and as she prepared to disengage from the project at May, she reflected on the enormity of her experience: She had impacted a high-value initiative with a premier client, increased revenue, and decreased cost. She'd helped influence millions of dollars of sales for KSA, and she was able to experience a cross-functional blend of strategy, process, organizational design, and implementation.

As the pilot indicated the final approach into LaGuardia, Marsha thought, "What a long strange trip it's been." But she couldn't have imagined being anywhere else.



# Kellwood: So Many Samples, Too Little Time

By Shelby Broida

**KSA is currently working with Sag Harbor, a division of Kellwood Company, to redesign the company's product development process, with an emphasis on reducing samples and time-to-market.**

Last year, Sag Harbor spent \$6 million on samples alone. Over-sampling has become such an issue, the company is running out of places to store them. The voluminous number of samples is also affecting Sag Harbor's relationships with its vendors. Sag Harbor is currently working with more than 130 factories to produce its samples. Its vendors have grown increasingly frustrated, as they produce thousands of product samples for which they never received production orders.

The KSA team, consisting of Shelby Broida, Peter Brown, Scott Kern, Amy

Klaris, Randi Nolan, and Jennifer Pritchard, determined the increase in sampling was largely due to timing issues in the process. With no structured planning process in place, samples were being ordered for Market Week (a quarterly opportunity at which time Kellwood invites its customers into a showroom to sell products to them) on an ongoing basis throughout the season, with no formal line reviews or editing taking place. Additionally, individual account needs were not being planned for, resulting in many changes to the line occurring at Market Week.

Our solution? KSA developed a future vision for Sag Harbor based on two main recommendations: implementing a formal planning process and establishing strategic partnerships with a consolidated vendor base.

By implementing a structured planning process, Sag Harbor will be able to focus development based on hindsight information (from last year's season), trend data, and customer preferences. All plans will be broken out by account, and customers will be presented with a "proposed buy" at Market Week to highlight which products Sag Harbor has developed specifically for those accounts.

By strategically partnering with key vendors, Sag Harbor will be able to improve the sampling service it received from them. KSA is aiming to improve Sag Harbor's relationships with select vendors in each product category, to improve prototype and sample turnaround times. Working with fewer vendors will increase the likelihood that the factory that makes the samples will receive a production order. Additionally, by improving these relationships, Sag Harbor will be able to add a prototype review phase prior to sampling, which will reduce excess sampling.

KSA also plans to reduce the overall product development cycle time. Working closer to the in-store data will improve Sag Harbor's ability to make informed decisions based on the current season's actual selling data and market trends. By eliminating inefficient practices in the process (i.e., oversampling, developing without a plan, etc.), Sag Harbor will be able to analyze selling data before beginning development for a season. By implementing our recommendations, we believe the company will be able to reduce sampling by 50% and reduce overall product development time by about two months.

**Scott Kern, Shelby Broida, and Amy Klaris sort through Sag Harbor's samples**





# KSA Teams with Food Lion on E-Procurement

By Lester W. Lam and Jason Moy

**How do you get CIOs from three separate operating companies to agree on a single e-procurement system strategy?** There were several challenges along the way, but KSA was able to convince the Delhaize Group (Delhaize Europe, Food Lion, and Hannaford Brothers) to agree on a strategy during an eight-week e-procurement planning project this past summer in Salisbury, N.C. To ensure success, a range of skills was brought into Salisbury from all over the United States: Gary Cochran from Atlanta, Yamel Cuevas from New York, Lester Lam from Los Angeles, and Jason Moy from San Francisco.

Delhaize Group is a large, global grocery player with both European and American banner companies (see RFID story on page 7). In 2003, the group had more than 2,500 stores worldwide with EUR 18.8 billion in sales. Americans may be more familiar with its U.S. banner companies: Food Lion (Salisbury, N.C.) and Hannaford Brothers (Scarborough, Maine). Our direct project sponsor is the CIO of Food Lion, the largest operating company with more than 1,200 stores across the southeastern region of the United States. Our executive steering committee also included the CIOs from Delhaize Europe and Hannaford Brothers.

Food Lion wanted to achieve long-term global synergies and cost reductions through the implementation of a global Purchase to Pay (P2P) solution for indirect goods. The European banners took the first step to achieving this goal through the development and implementation of Indic@t, an in-house e-procurement catalog system. The Indic@t system has enabled

the European banners to realize operational efficiencies and cross-banner catalog visibility in Europe.

However, both American banner companies were uncertain as to the tangible benefits a catalog system could provide, so Food Lion contracted KSA to develop an independent evaluation of Indic@t and the necessary effort to integrate Indic@t with its existing systems.

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## Aligning client-led evaluation criteria and multiple system implementation approaches allowed the best solution for the client.

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We began the evaluation process by conducting interviews with the procurement and IT organizations, along with a Conference Room Pilot (CRP) of the in-house developed system, Indic@t. It quickly became apparent the Indic@t system, as it existed, would not provide sufficient functionality to support the client's necessary business processes.

Further complicating the situation was Food Lion's existing IT application landscape. KSA discovered the existing indirect procurement systems at the client were highly fragmented, did not provide sufficient procurement functionality comparable to industry standards, and included significant overlapping functionality. Without a single system supporting indirect procurement, it had developed business processes and a procurement organization structure that were unnecessarily complicated and system-dependent.

We changed the scope of our work

and developed a comparison of five realistic system implementation scenarios, evaluated on four weighted criteria categories, with the highest overall score indicating what would be in the client's best interest. This alignment of client-led evaluation criteria and multiple system implementation approaches allowed KSA to pursue the most unbiased and relevant recommendation for the client.

We recommended against the implementation of the in-house procurement system in favor of a commercial package. Our analysis showed Food Lion would realize more tangible benefits from the additional functionality found in the commercial package, and it would allow the company to simplify its IT application landscape.

The CIOs from Food Lion and Hannaford Brothers were both extremely receptive to our approach and very enthusiastic about our recommendation of a commercial package. They have agreed to pursue a software package selection as the next step.

Of course, KSA participated in more than just work in Salisbury, including recreation (YMCA), fine dining (The Farm House and Spanky's), and culture (indoor go-cart racing) in this friendly town. In the spirit of teamwork, we held a racquetball tournament, during which Jason Moy unseated Benjamin Mokotoff to become the No. 1-ranked racquetball player at Food Lion.

Please contact any of our project team members for more information about our methodology, results, or a place for good barbecue or go-cart racing in North Carolina.



# Journey to Japan

(continued from page 1)

By Lynn Senior



Souvenir fans found throughout Japan

After a few busy days in Tokyo, we jetted off to Kyoto via the sleek high-speed Shinkansen “bullet train.” The 513.6 km (319-mile) trip was completed in two and a half hours, including several stops. We did not notice the speed until another bullet train sped by traveling in the opposite direction, passing within just a few feet of our window. We later discovered our train’s maximum design speed was 285 km/h (177.1 mph).

Kyoto proved to be a much slower-paced city, with more than 1,800 temples and shrines. The most beautiful temple we visited was Kinkaku-ji, the famed Golden Temple. Built in 1397, it was originally a retirement villa for a Shogun, and later converted into a temple by his son. An obsessed monk burned the temple to the ground in 1950. Following the original design exactly, it was rebuilt in 1955, including the gold leaf covering.

One of the highlights of our trip was being in Kyoto for the annual Gion

Matsuri Festival, when this ancient capital city travels back in time. In July of each year, the Matsuri parade is held through the streets of downtown. This festival first took place more than 1,100 years ago in 869, when a plague ravaged Kyoto. A priest of the Yasaka shrine led a parade of people through the city in an attempt to please the Shinto gods. The plague

ended and this event became a popular festival, with 32 large Hoko and smaller Yama floats parading through the narrow streets. Customs have withstood and all Matsuri carriages (some weighing more than 10 tons) are completely man-powered.

The Hokos are steered during the parade. Because of their large size and six-foot-tall wooden wheels, they are pivoted by inserting blocks of wood as they are pulled.

One of the most colorful shrine entrances was the Yasaka Shrine. Considered to be the guardian shrine of neighboring Gion, it is as popular as the first shrine visit of the New Year.

On the final day of my fabulous trip, I spent Friday evening enjoying a traditional Japanese dinner (seated on the floor) with Tokyo colleagues at a farewell party for KSAer Yasunori Shimbayashi. The food was delicious and the company was extraordinary. I only wish every KSAer could experience Japan as I did!

Back Row, Left to Right: Mark Anglin, Todd Soller, Shimba-san, Masa Sakuda, and Masayuki Goto  
Front Row, Left to Right: Saori Shiraishi, Steve Dixon, and Diane Wang





# KSA Alumni News

**This year, we were sad to see two special KSA alumni pass away. They will be missed.**

## **Don Johnson**

By Jack A. Johnson

A former Vice President of KSA, Don Johnson died March 20, 2004 in Savannah, Ga. He was a 1953 graduate of Alabama Polytechnic Institute (now Auburn University). While there, he was vice president of the Student Government Association, president of Sigma Nu fraternity, captain of the Auburn Band, and one of 10 members of Spades — Auburn's highest honor for senior students.

He later served as a special agent in the Counter Intelligence Corps during the Korean War. He then joined KSA and became the district manager of the Dallas Office. Not limited to that geographical area, Don worked on assignments all over the globe including Egypt, Australia, and the Caribbean, and in North, Central, and South America.

In retirement, Don and his wife, Elaine lived on Tybee Island, Ga. They have three children: Mary, James, and Scott.

## **Bill Wing**

By Roger Fielding

Brought up in Blackpool, England, Bill Wing won a place at St. John's College Oxford to study Engineering, which is where I met him in October 1960. We shared a sitting room for our first year of college. The following January, I met Penny, now my wife, and it was from that time Bill and I competed for use of the sitting room.

Bill saw his three years in Oxford as an opportunity to sample the best things in life. He captained the rugby team, played cricket, sampled the many available pubs and beers (he was not alone in this), and developed a taste for good food and fine wines.

Bill joined KSA in 1966 and after time in the United States, specialized in the development of cutting rooms. He practiced these skills in Europe and Africa for KSA for 15 years. Recently he worked mostly on his own account, adding Asia to his geographical base.

Bill was diagnosed with cancer in 2001, was treated, and appeared to have made a complete recovery when, together with wife Diane, he spent a weekend with us. He was his cheerful, flamboyant self and after golf on Saturday we were lucky to enjoy a beautiful late summer evening drinking champagne while watching cricket and putting the world to rights. It was therefore with great sadness that we learned of the return of that horrible disease. It was with great humility and pride that I attended Bill's funeral in March 2004, which celebrated his life.

In addition to Diane, Bill leaves three children: Shian, Guy, and Jenna, and two stepchildren: Simon and Tammy.

## **Tom Clement**

As a graduate of KSA's 109th orientation class in 1995, I am now living in Cincinnati, Ohio anxiously awaiting the birth of a second child. Our first child, Evan, is almost three years old.

Having spent five years with KSA, I left in 1999 to move closer to my mom in Denver, who was ill at the time. Fortunately she is better now.

While in Denver, I spent nearly four years heading up the Professional Services and Customer Support groups of a small software company serving the catalog industry: Page Digital (later known as Synaro, and most recently acquired by Island Pacific).

In Spring 2003, as my interest in moving back into retail logistics and out of professional services grew, softness in the software industry afforded me an opportunity for a career change.

While networking with friends and former colleagues, Dan Stonaker (also a KSA alum) referred me to his former client, Cornerstone Brands out of Cincinnati, which was the 43rd largest direct marketer in the United States. Dan's contacts within Cornerstone proved valuable. Two months later, I started in a newly created position. Another former KSAer, Mike Boyle, was employed at one of the other divisions at nearly the same time.

Life at Cornerstone Brands, now the 29th largest direct marketer, has been hectic, rewarding, and challenging. In my current role, I am responsible for planning and operations for inbound/outbound domestic and international transportation; warehouse inventory control, slotting, and liquidations; and

*Continued on next page.*



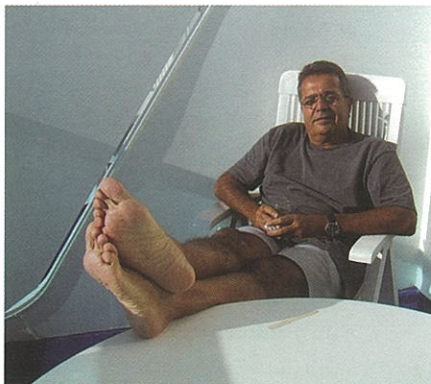
# Alumni News

(continued from page 13)

our vendor technology group (e.g., bringing vendors live on EDI or other means of electronic communication).

Family life in Cincinnati is great, though I do miss the mountains of Colorado. But, who wouldn't? My wife, Christy, and son, Evan, are settling into play dates with neighbors and field trips to local attractions. Some say Cincinnati is not big enough to draw the top-tier entertainment, but I disagree. Just a few weeks ago, we all had the opportunity to ride Thomas the Tank Engine!

## Sergio Cruz



Sergio Cruz on a Princess cruise ship

Early retirement for me has meant closing a chapter of my professional life, evaluating personal and professional options, planning more quality time for myself and my family, and transitioning into new and personally rewarding activities.

I decided my new chapter would be as rewarding as my last one with KSA. Influenced by a close friend, I decided to obtain a real estate license and seek opportunities in the overheated South Florida market. The license led me to

convince my friend to start a new real estate company in partnership with me. I presented him with a plan to have a high-end market service firm based on the same KSA principles, including clients' interests first, professionalism, high ethics, and confidentiality. With that, we started IRM Realty, LLC in January 2004.

This new business endeavor requires a great deal of my time, but still allows for personal time. Miriam and I are enjoying our lives, and have traveled to Europe, the West Coast, the Pacific Northwest, and Alaska.

## Devangshu Dutta

I left KSA in 2000 to co-found a sourcing services company, blending traditional sourcing methodologies with advanced supply chain software. I remain a shareholder and board member.

Since September 2003, I have been busy with several other endeavors. I built a small organization and offered strategy advice and operations support to about 10 companies in India. I found time to go through two levels of a training course in Clinical Hypnotherapy (one level short of a certification as a Practitioner of Alternative Medicine). I have written several articles, addressed industry events, and taught a couple of courses at the National Institute of Fashion Technology. I have spent time studying inner space exploration through meditation and yoga. And during this busy year, I have spent more time with my family than I have since I started working about 15 years ago! I'm happy to report it's been a busy, successful, and fulfilling year.

## Robert (Bob) & Brigitt Fitze



Bob Fitze with grandson, Willi

Since early retirement from UBS at age 60, Brigitt and I have enjoyed a wonderful life in Tuscany, a place we knew well from KSA's earliest assignments in Italy and Brigitt's work as a tour guide. We live in a renovated old farmhouse located in a vineyard just outside Montecarlo.

Montecarlo (Lucca), Italy is a small, hilltop town situated between Florence and Pisa (both have airports). It is renowned for its fine white and red wines, high quality olive oils, and the great number of good restaurants in the area.

We enjoy living in Lucca, and feel it is one of the finest cities in Tuscany. It has a medieval wall on which one can walk around the historic town in about an hour. The beaches of Torre del Lago, Viareggio, and Forte dei Marmi are approximately 45 minutes away. Florence, Pisa, and Livorno can also be reached in an hour by train.

*Continued on next page.*



# Alumni News

(continued from page 14)

## Barry Moore

I am having a ball in the mountains. I am dabbling in real estate, but my real avocation is community activities.

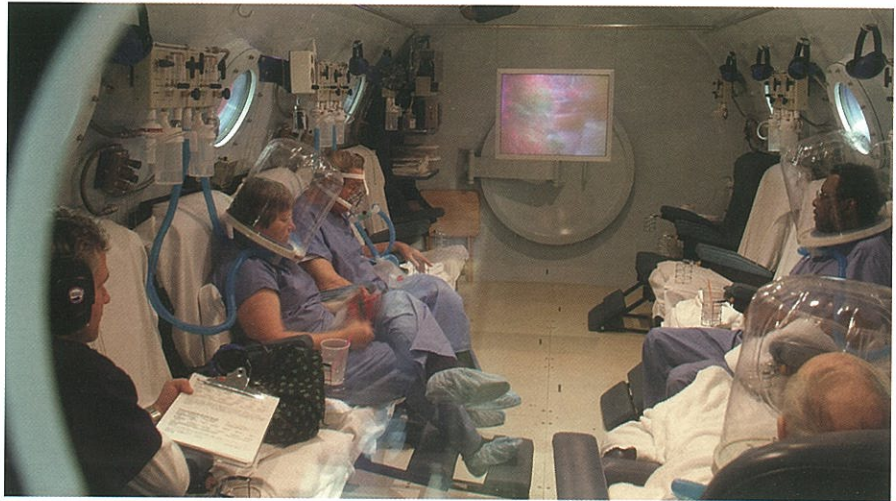
I am heading up the Strategic Planning Ministry at the Cashiers United Methodist Church. We are purchasing 6.3 acres adjacent to our current property so we can accommodate growth until at least 2025. It costs a cool \$2 million. This is a big bite for a small church.

I am also the Treasurer of the Country Club of Sapphire Valley. We are building a new \$8 million-plus club house. I am on the Building Committee and spend much of my week on construction issues.

My schedule each week looks a lot like it did before I retired, but I love it.

## Paul Raines

Claudia (a former KSA consultant) and I have been happily married for 12 years and have two children, Victoria (10) and Julian (6). I am employed by The Home Depot, where I have worked in Chile, Argentina, and all over the United States. I am currently the Regional Vice President for The Home Depot, managing its business in Florida, while Claudia stays busy doing freelance and volunteer work. Claudia and I currently reside in Tampa, Fla., and credit our years with KSA for exposing us to great teachers and leaders, as well as setting the standard in professionalism and ethics in business.



HyOx Medical Treatment Center founded by Tom Sims

## Tom Sims

It is hard to imagine that six years have elapsed since I called KSA home. Since leaving in mid-1998 I have been fully immersed (pardon the pun) in the field of hyperbaric medicine. I am co-founder of the HyOx Medical Treatment Center, an Atlanta-based comprehensive outpatient rehabilitation facility that specializes in hyperbaric medicine and wound care.

Widely known for its use in treating SCUBA divers with the Bends, hyperbaric oxygen (HBO) therapy is also useful for patients with chronic, non-healing wounds, carbon monoxide poisoning, crush injuries and other conditions that benefit from technology's ability to supersaturate the body with oxygen. HyOx operates Atlanta's only multi-patient chamber, which can accommodate 12 patients in a single treatment or "dive." The chamber is pressurized with air to the equivalent of 45 feet of seawater and patients breathe 100% oxygen through face masks or hoods (see accompanying

photo). Patients spend the typical two-hour treatment watching movies, reading, or listening to their favorite music.

On the personal side, our family continues to live in Dunwoody, Ga. My wife, Patty, teaches four year olds at Sandy Springs United Methodist Church. Our two oldest children are in college. David is a senior at Vanderbilt, majoring in human and organizational development and history. Stephanie is a second year chemical engineering student at Georgia Tech. Teddy, our 10 year old, is a fifth grader, and keeps us young.

## Bernie Wolford

Kathleen, our sons, Jordan and Trevor, and I are living in Marietta, Ga. I am still consulting, joining fellow former KSAer, Ed Rader, at Verity Partners, LLC. Three years ago, I started a new program of self torture called "playing golf," of which I continue to subscribe. Greetings to all my friends at KSA and fellow KSA alums.



# Son of Alum Goes to Olympics

By Lauren D. Long



*Matt Taylor (wearing red shirt) with his former coach and family, including his father, Josh (far right)*

**KSA alum, Josh Taylor, was a proud father this summer when his son, Matt Taylor, and canoeing partner, Joe Jacobi, were selected to participate in the 2004 Olympics in Greece.** The duo, ranked ninth in the world, represented the United States in the two-man whitewater canoe slalom in the Olympics in August.

Matt, a native Atlantan and sixth-grade teacher at the Galloway School, agreed to meet me at the local Starbucks Coffee during his 10:30 a.m. planning period to revisit his Olympic experience, explain why he chose to pursue it, and how he made it as far as he did.

Wearing a pair of John Lennon-esque eye glasses, a five o'clock shadow, an Olympics lightweight jacket, and blue jeans, I immediately recognized him. So did a few other people in Starbucks. Cordial and polite, he

spoke to one woman briefly about a political matter in his neighborhood before he and I began the quest for empty seating in the coffee shop.

While Matt's enthusiasm for teaching sixth graders and spending time with his family was apparent within minutes of sitting down with him, I was most surprised to find that his love of canoe racing has spanned more than two decades.

Between sips of coffee, he revealed he first fell in love with his sport at age 10 while visiting Camp Mondamin in North Carolina. (His father also attended the camp as a child.) Matt attended for two months every summer and loved it. "My year became this weird inverse where I looked forward to summer and, as for the rest of the year, I could barely remember it," he said. "I was bored in Atlanta. It's exciting now. But, it wasn't as exciting then."

Through college, Matt continued to canoe on a non-professional level. But at age 22, he had a breakthrough. Although he and Joe [Jacobi] had known each other for nearly 20 years, it was not until 2002 that they decided to train full time as teammates for competition.

Since that time, Matt's career highlights have included participating on two Olympic teams, winning five national championships, winning a medal in a World Cup race, and five top-10 World Cup finishes in the first two years of racing with Joe.

If he's a great athlete and teacher, he's an excellent father and husband, too. Matt and his wife, Kieran, three-year-old daughter, Josie May, one-year-old daughter, Maggie, and newborn son, Robert Aloydsids or "Babe," (named after his maternal grandfather) lead busy lives. Up to and during the Olympics, Kieran was quoted as saying she "managed a controlled chaos" while Matt was training in Greece — though they both agree the sacrifice was worth it. With his current, busy schedule as a family man, teacher, and athlete, Matt concludes this is still true.

In between spending time with their families and Matt's teaching career, Matt and Joe still find time to train together and have established a successful business, Jacobi/Taylor Canoe Team, which trains children and adults to race canoes. There are, of course, a few 2008 Olympic hopefuls in training on the team, too.



## KSA Serves Less Fortunate

By Noam Paransky

Six KSAers donated their entire Saturday to join 15,000 new friends who volunteered on “Hands On Atlanta Day” on October 2nd. The special day was the nation’s largest city-wide day of service, and encompassed more than 200 projects in five metro-area counties in Georgia alone. KSAers were responsible for coordinating an 80-person “visual enhancement” project at the Jerusalem House that included yard work, cleaning, the construction of several bird houses, and outdoor bench repair.

Jerusalem House provides independent living to homeless men and women living with HIV/AIDS, as well as HIV-infected mothers and their children. This was the third year KSA has coordinated a “Hands On Atlanta Day” project for the house, which was originally founded by Evelyn Ullman, the wife of philanthropist and former KSA President Jack Ullman.

KSAers who participated in this year’s effort were Justin “Birdhouse” Cassey, Nathan “Too Tall” Cray, “Suddenly” Susan Lin and her husband, Jimmy Lin, Matthew “Flanders” Marcinek, “Do You Noam” Paransky, and project folk hero Mike “Man of Steel” Benist (who brought an entire wood workshop from his house to allow the bench repair to be completed professionally).

To obtain more information about Jerusalem House, visit its website at [www.jerusalemhouse.org](http://www.jerusalemhouse.org).

## Hurricanes No Match for Burkhalter Golfers

By Benjamin Mokotoff



Andrew Zgutowicz, Mark Chandler, and Erik LaValle partner for the Burkhalter

**Threading the needle between Hurricanes Ivan and Jeanne, the eighth annual KSA Burkhalter Cup golf tournament was an enormous success this year.** Gale force winds and driving rain arrived less than 24 hours prior to the tournament, but gave way to a clear, crisp September morning — a perfect morning to hit the links with clients, vendors, colleagues, and friends.

Despite the inclement weather leading up to the tournament, more than 60 players made their way to Stone Mountain Country Club September 18. Tales of hurricane-related travel debacles were exchanged prior to the tournament as players signed in and warmed up on the putting green and driving range. There was also a significant amount of chatter about the prospect of leaving the tournament \$10,000 richer by simply taking that perfect swing and making a hole-in-one on the 181-yard 13th hole.

Eight o’clock marked the shotgun start of the scramble (8:03 a.m. marked the first beer consumed by a nameless individual on my team). The teams

spent the next four hours enjoying the sunshine, competing for team and individual prizes donated by our fantastic sponsors, eating, drinking, and having a great time.

As teams began to return to the clubhouse and turn in their scores, everyone wondered whether Mark Chandler or Bob Smith would take home the Cup this year. As it turned out, the low net team award was presented to Josh Benton, Pete Bowker (WEI), Dan Davis (Tractor Supply), and Ken Marshal (AmeriCold) with a net score of 54. Third-time winner Bob Smith, along with Gary Ivey (DCS), Richard Tilley (AirTran), and Ken Wood (DCS), captured the low gross team title. Mark Chandler’s team ended with a fifth place net finish.

Although no one took home the \$10,000 prize this year, individual prizes were awarded, including four sets of airline tickets. Mike Gregory, Greg Klingaman (Home Depot), Chris Molen (Paul Hastings), Gil Phillips (Residence Inn), and Fernando Silva, each won “Closest to the Pin” awards. Steve McPherson (TowerSource) hit the ball 360 yards, the longest drive in Burkhalter Cup history! Bill Wold (WEI) drove one up the middle on No. 3 to capture the “Straightest Drive” award. And Kurt Holtz (VF) sank the longest putt of the day in hole No. 5.

This year’s tournament was an enormous success, thanks in large part to the planning of Debi Hamrick. The number of players was significantly higher than last year, and sponsorship stronger than ever. As players made their way to their cars, strategies for next year’s tournament were already brewing.



# Asia-Pacific Conference was “Simply the Best”

By Mark Anglin and Erik Zambon



KSAers Suzuko Yoshida, Saori Shiraishi, and Keiko Shimizu

Tina Turner's tune, “Simply the Best,” appropriately played in the background during the fifth annual KSA Asia-Pacific Conference (APC) held in October at the Westin Hotel in Tokyo. Indeed, this year's conference featured the crème de la crème of KSA's global leadership. Jim Berarducci, Jerry Black, Glenn Hershey, David Hetzel, Phil Kowalczyk, Bill Pace, Jean-Louis Simoneau, and Mark Wietecha gathered to share KSA's global message: Be the Best — Together.

During the first day, unlike the usual agenda of regional updates focusing primarily on business results, the Global Leadership Team (GLT) shared its perspective on KSA's present and future as a global leader in health care and consumer products. Following

Glenn Hershey's multi-lingual opening remarks, a flurry of speakers provided inspiring updates peppered with hopeful beliefs of a prosperous future while inserting the humorous hint of the GLT's previous night's exploration of the Tokyo nightlife.

Perhaps the most striking aspect of the conference was that the GLT could not have embodied the theme of the event better: Moving Forward Together. It was a time for all of us to lift our heads from our project plans and busy schedules and remind ourselves that we are part of a greater organization, populated with people sharing the same passion to deliver quality results — for ourselves and our clients.

Mark Wietecha's closing speech painted a vision of the broader retail horizon

— from Europe leading the way in the 1850s, through 2050, with Asia standing at the forefront of a growing retail market in which KSA will no doubt be present. To close the day, guest speaker, Dr. Roy Larke, professor of retail at Escola Superior d'Administració i Direcció d'Empreses (ESADE), in Barcelona, shared his 20 years of experience living in Japan, and provided his views of Japan as a retail super power.

While the first day was about expanding our horizons and learning more about KSA's global business, the second day was a time for the group to roll up its sleeves and begin a new training program, “Building Business Bridges.” Glenn Hershey kicked off the day explaining the important role this training will play in providing our team with the tools, methodologies, and vocabulary that will drive our future business development efforts in Asia-Pacific.

Bob Melka then led the group through an informative three-hour introduction to “Building Business Bridges,” a course that all Asia-Pacific KSAers participated in over two days in November. Building on the theme of “Together,” the practice was grouped and seated by client delivery team for the session, enabling team members to apply the lessons from the course to actual client development situations.

At the close of the Asia-Pacific Conference, KSAers left the Westin Hotel with a positive outlook for the future. Not only were we inspired by the future of the firm, we also felt confident in our ability to make that future a reality!



# France: Hot Spot for KSAers in 2004

By Claire Simoneau



Henri Loiseau, LSA Editorial Director and Olivier Dubouis introduce the Accelerators Programme

**KSAers met in France twice this year for two very important events: the LSA Oscars de l'Innovation Awards and the KSA European Staff Meeting.**

For the second year in a row, KSA sponsored the LSA Oscars de l'Innovation Awards, held September 16 in Paris. This was quite an honor, as LSA is the leading French trade magazine for the retail and consumer packaged goods (CPG) industries.

Among the 400 people in the audience were high-ranking executives from the French retail and CPG industries. KSA's Olivier Dubouis was part of the jury that awarded the prize for the most innovative cooperation among a retailer and a supplier.

KSA joined two other partners and senior executives to choose the best innovations among hundreds of applications in four categories: Concept, Marketing, Service, and a special category for Retailer/Supplier Cooperation.

Some of the winners were famous companies Auchan, Fujifilm, Galeries Lafayette, and Sephora. However, the ceremony also rewarded innovative initiatives from smaller national companies, Meralliance and Weekendesk.

In addition to KSAers' involvement as judges for the awards, a short film about KSA and our Accelerators Programme was shown.

This initiative is helping KSA raise brand awareness in France, as innovation has become even more important as product life cycles decrease and customer demands become increasingly difficult to predict.

In October, the goal for 130 KSAers who participated in the European Staff Meeting (ESM) was to make the most of the one-day gathering in Lille by catching up with colleagues, getting an update on all avenues for growth, and discovering what was happening on the client side.

David Oliver and Jean-Louis Simoneau opened the meeting with an overview of 2004 results across different regions and explained the various potential avenues for growth in Europe. They also presented the new KSA brochure, The Accelerators Programme, which is available in three languages: English, French, and German. The brochure represents a landmark in the way we communicate the benefits we can bring to our clients.

Bill Pace then presented an update on KSA's global strategy, outlining the vision and mission, and detailing the implementation. The European Leadership Team joined him as he fielded questions from the audience.

KSA's representative in China, Mohan Komanduri, joined us via video conference. He gave an insightful presentation about China, the Chinese consumer, and KSA's expansion plans for the region (see page 5).

After our lunch break, KSA's Julien Bourdiniere, gave us some background on Radio Frequency Identification (RFID) and explained KSA's position in this area (see page 7).

The second part of the afternoon focused on clients' examples and the business outcomes of our work, emphasizing the importance of building long-term relationships by delivering business value through clearly defined objectives.

Both the LSA Oscars and the ESM provided stimulating opportunities for KSAers to learn and tell others about current successes at KSA.



# Escape from the Rock

By Tanny Petchor



Alex Wright, Caroline Nelson, and Matthew Marcinek after the race

A scant 11 months ago, I stood on the shore of Aquatic Park at the San Francisco Bay in California, waiting to board the ferry that would deliver me to Alcatraz Island where the triathlon in which I was involved would begin. Once there, I shivered in my wet suit thinking about how I might avoid attracting sharks during my swim back to shore. On Sunday morning, August 8, I returned. But this time, to cheer on three colleagues attempting the same swim.

Matthew Marcinek, Caroline Nelson, and Alex Wright, along with more than 300 other triathletes, were gathered for the Escape from the Rock Triathlon™. The race consisted of four

segments: the 1.5-mile “Escape” swim course from Alcatraz Island to the Aquatic Park; the 2.5-mile run to the transition area at Crissy Field in the Presidio; a 13-mile bike ride on a hilly loop course through the Presidio; and finally, the 7.5-mile run that leads the racers through Golden Gate National Recreation Area, providing stunning views of the Pacific Ocean, the San Francisco Bay, Alcatraz, the Golden Gate Bridge, and the San Francisco skyline.

That morning, a dense fog blanketed the bay, obscuring our view of the Golden Gate Bridge, and more importantly, Alcatraz. We did not yet know this fog would change the course of

the race. By 6:30 a.m., the race director broke the news that, for the first time in 24 years, the swim to and from Alcatraz would have to be canceled because of the fog. Instead, participants would be directed around the breakwaters and boats of Aquatic Park. Several of the competitors voiced their displeasure. A few even walked out. But the majority was there to race — whatever the course.

On dry land, I waited for my colleagues to finish their swim around the breakwaters. As they hit the beach, they traded their wet suits for sneakers and were off to run and bike the hills of the Presidio. I knew I wouldn't see them for another two hours, so I grabbed some coffee and breakfast and started the two-mile trek to the finish line.

As Caroline, Alex, and Matthew approached the home stretch, they were cheered by KSAers from all over the globe, including Kimberly Anderson, Amar Hassomal, Johannes Interthal, Ingmar Kraak, Phillis Lin, and other friends.

Caroline was the first KSAer to finish the race, Alex was second, and Matthew was third. They joined several KSAers to celebrate their victory over the course of the weekend. KSAers Melissa Feder, Mike Kellogg, Jeremy Rubman, and Lauren Stark, and KSA alumni, Vikas Chinnan, and Helen McConnel joined the fun. The weekend was a true escape for everyone!



# KSA Candid



Bruce Seeber's son, Ryan, at Atlanta's Fall Festival celebration in November



Dave Cole, Styg Kry, Jack Ullman, and Bill Pace at Dave Cole's retirement party in September



Carol Farmer's daughter, Jaida, at Atlanta's Fall Festival celebration



Which one's Jim Berarducci? KSAers surprise Jim with masks of his likeness at the HSD retreat in November



# KSA Facilitates Session at Fairchild CIO Summit

By Katie Jarvis



**KSA partnered with Fairchild Publications to host the Second Annual Executive Technology CIO Summit at the Four Seasons Resort in Santa Barbara, Calif. in October.** This three-day think tank for retail CIOs and senior IT executives was organized to bring the best minds in the industry together to discuss some of their most pressing issues.

The Leadership Summit began with a relaxed reception and dinner on the beautiful Santa Barbara beachfront. As the sun set over the rolling hills and disappeared into the Pacific Ocean, attendees enjoyed the spectacular view while mingling with colleagues and networking with new faces.

Day two began with several keynote speeches from Cheryl Michie, VP Service Management and Architecture, Sears and Roebuck and Company; Victoria Cantrell, SVP and CIO, Giorgio Armani; and Gary Hawkins, CEO, Green Hills Inc.

KSA led “A Thought-Provoking Breakfast” session the last day of the Summit. The “food for thought” session consisted of six discussion topics

and six groups. Topics included Consumer-Centric Supply Chains, Enhanced Customer Experience and Customer Loyalty, Store of the Future, Radio Frequency Identification (RFID), Role of the CEO in Shaping the IT Vision, and Atkins Diet for IT: Strategy and Cost Controls.

Key clients in attendance included 7-Eleven; Abercrombie & Fitch; Ahold USA; Amazon.com; Guess; Pacific Sunwear of California; Pier 1 Imports; Sears, Roebuck and Company; and Smart & Final Inc.

Facilitated by Gary Cochran and Kathryn Cullen, each table’s designated captain led his or her group through the discussion topics with a series of questions. Participants were given time to brainstorm answers to each question.

Some of the top issues CIOs noted they are wrestling with include:

- Improving IT strategy.
- Business intelligence.
- Revenue optimization.
- Supply chain improvement.
- IT and business alignment.

## Anniversaries

### 25 years

Bill Beckermeyer

Torrie Crupie

Libby Morgan

Nancy Standish

### 10 years

Cara (SaoBento) Boyce

Renee Bryant

Mark Chandler

Ken Coons

Jeffrey Hoffman

Erik LaValle

Charlotte Martin

Mary Parker

Brad Payne

Michael Rice

Marvin Ross

Linda Scott

Patrick Smyth

Larry Sterle

Phil Turnbull

Randy Unger

Rod West

Andrew Zgutowicz



# Starting Out: One Consultant's First Month

By Heidi Isern

I doubt anyone ever has a perfect picture of where their job will take them once they sign their offer letter. I believe this holds especially true for consulting. While the possibilities are indeed endless, it is difficult for anyone, especially a green business school graduate, to fathom all those possibilities.

A few months ago, *Business Week* held a contest called "The Road Not Taken." In a creative compilation of 300 words, entrants were asked to describe why they deserved a chance to leave their desk jobs for their fantasy career for a week. The most convincing writers could receive a coaching position for the Boston Celtics, direct a Broadway play, or make a fine cabernet in Sonoma Valley, all courtesy of *Business Week's* strong professional connections.

At the time of this contest, I was participating in the final rounds of the KSA recruiting process, internally debating the merits of various career paths and that nebulous thing we all refer to as a work/life balance. Even though I felt KSA was a good fit for my ambitions and personality, doubts still lingered. I quickly envisioned the worst of the consulting lifestyle and drafted a cheesy poem for the contest that alluded to corporate burn-out and secret dreams of working in the arts.

Three days after my acceptance into KSA, I quickly forgot about my contest entry and boarded a plane to Atlanta for Orientation. My fears of never singing or dancing again quickly disappeared as I discovered those two skills were as important to the KSA culture as building SKU rationalization models. I actually enjoyed the company of everyone I met. Hanging



KSAers team up at an offsite in Cancun

out with my new co-workers was an amazing change. The range of upcoming projects, clients, and overseas opportunities was equally exciting.

It was mid-week of orientation when *Business Week* called to tell me I had been selected as a finalist for its contest. They asked me a few questions to promote me to the next round.

After discussing my poem and the contest, *Business Week* asked if I was already working in my dream job. Startled, I had no idea what to say. I didn't want to lose my chance to win, yet I also didn't want to misrepresent how I felt about KSA. "I am only in Orientation," I carefully answered. "But right now the prospects look good."

Now, after being with KSA for four weeks, working on the Mervyn's project for three, and spending an intense offsite session in Cancun, I feel like I can answer *Business Week's* question. After all, is there honestly any other company in the world where brilliant

professionals work together so collaboratively to solve problems one week and then "head bang" on the bar to the 1980s band, Guns 'N Roses, the next? How many corporate leaders can swing dance and answer your BI questions at the same time? And are there any other firms that reward you for knowing that "orange is the new black"? My answer: KSAers can do good work and have a good time anywhere in the world.

Even though I don't need it as much as I did one month ago, I did end up winning *Business Week's* Fantasy Career contest. Next spring, I will spend a few days at the Lago di Merlo vineyard estate to learn the art of wine making, tasting, and marketing. However, I consider the excursion a vacation opportunity, since I already have the career I want. (Although, I do plan to speak to the vineyard owners about the challenges their industry faces. Adding California wine makers to our client roster would just be icing on the cake.)



# New Principals

**Wendy Farina**



Wendy joined KSA as a Principal in the Growth & Profitability (G&P) group. Wendy has 20 years of consulting experience with KPMG, Deloitte & Touche, and PriceWaterhouseCoopers, where she led a number of strategy practice groups focused on retail and consumer products. Wendy most recently worked with The Cambridge Group, a boutique strategy consulting firm, where she was the Managing Director of the New York practice. Wendy has a specific focus on consumer insights and marketing, and will serve as the capabilities director for that area within G&P. She has already made a television appearance on behalf of KSA on CNNFN.

**Scott Spring**



Scott joined KSA in 1997. He received his bachelor's degree from Dartmouth College and master's degree in business administration from Indiana University's Kelly School of Business. Scott's client work has been focused in the areas of strategic planning, brand positioning, organizational design, and acquisition due diligence. Recently, he has delivered major business growth engagements for clients such as MFI in the UK, Philips in the Netherlands, and Zapf Creation in Germany. Scott is an avid sailor, and is currently based in London, where he lives with his wife, Jennifer and children, Anna and Matthew.

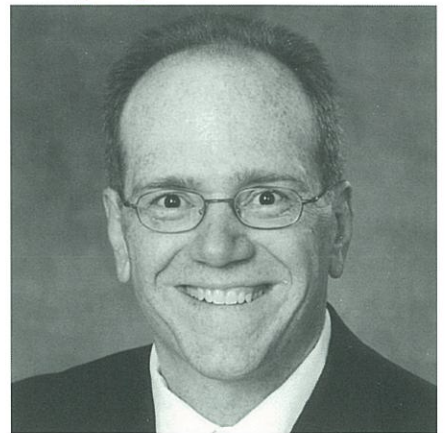
**Larry Sterle**



Larry joined the KSA Health Care practice in 1994 as a facility planning consultant. Prior to joining the firm, Larry earned his bachelor's degree in business administration from Mankato State University and spent several years progressively expanding his responsibilities in health care operations and facility development with two Minnesota providers: Health Partners and Park Dental Health Centers. Over the last 10 years his work has encompassed a variety of clients ranging from academic medical centers to community hospitals, and he has demonstrated his organization-

al skills managing KSA's largest single facility planning project at McGill University Health Centre in Montreal. Larry has focused his practice in the community hospital market segment, progressively growing a loyal client base and sourcing a large percentage of his own work. A native Minnesotan, Larry is attached to the KSA office in Minneapolis, where he lives with his wife, Cindy. In his free time, he enjoys working on home projects, gardening, music, traveling, and allowing the Vikings to break his heart annually.

**Randy Unger**



Randy has a bachelor's degree in mechanical engineering from the U.S. Naval Academy. Prior to joining KSA, Randy spent five years in the U.S. Navy as a Surface Warfare Officer and Nuclear Engineer. Since joining KSA, Randy has delivered results for clients such as Staples, Stride Rite, Lowes, and Kohl's involving services such as logistics strategy, facility planning, productivity improvement, and Warehouse Management System design and implementation. Randy actively participates in numerous internal activities, including recruiting, teaching Management of Change, and serving as a captain for the Logistics Strategy Center of Excellence. He also partici-



# KSA's 129th Orientation

pates in many marketing activities, including speaking to groups such as the Council of Logistics Management and the American Society for Training and Development. Randy works from the Princeton Office and lives in Doylestown, Pa. with his wife, Kelly and daughters, Sophia and Olivia. Avid Yankee fans, Randy and Kelly are looking forward to taking their daughters to their first game at Yankee Stadium in the near future.

## Milestones

### Weddings:

**Todd Belveal (AO)** and Kathleen Miner, October 30, 2004.

**Brian Peller (NY)** and Julie Sneider, October 9, 2004.

**Cara SaoBento (NY)** and John Boyce, November 13, 2004.

### Births:

**Dave and Wendy Bassuk** welcomed their daughter, Elayna Claire, into the world July 26.

**Josh and Lori Benton** announced the birth of their son, Coleman Laseter, born November 1.

**Stephan and Kristina Findikyan** welcomed their baby boy, James Armen, July 8.

**Kelli Johnson** welcomed her son, Kaylen, into the world October 26.

**Jeff and Mariel Stiely** were pleased to announce the birth of their son, Kham Sabian, born August 6.

**Christie and Jason Temple** welcomed their daughter, Kaia, June 25.



Thirty-eight members of KSA's 129th Orientation class convened at the Sheraton Colony Square Hotel during the week of September 13 to 17. This year, an unprecedented number of KSA's leadership team members were involved in the orientation program, giving the class an opportunity to meet and interact with our leaders.

The class learned about various aspects of our firm, including KSA's mission and vision from the Chairman; history and KSA success stories from former leaders; KSA services; client case studies; team building with Outward Bound; and class skits.

Some new features included a section on career management with Chuck Kaste, CPD National Staffing Coordinator; KSA Principles and Commitments; a health care case study; and the option to attend a Managing Change session or Speakeasy.

Despite the disruptions caused by Hurricane Ivan, the class showed enthusiasm and left with a more in-depth knowledge of KSA and its colleagues around the globe.

**More than 250 people participated in the 2004 Ross Runnels/KSA Holiday Card Fund, pledging more than \$150,000 in charitable donations.**



# KSA and Toys “R” Us Aren’t Playing Around

By Ken Wilson



Enrique Morales shares a tender moment with *Monsters Inc.* star, Sulley

In 2003, the KSA/Toys “R” Us team scoped out a performance improvement project that would encompass the entire Toys “R” Us distribution network until late 2004. The network is comprised of 10 distribution centers (DCs), several of which are more than one million square feet in area. This plan is KSA’s largest performance improvement project ever to be completed in one year. All DCs will incorporate Red Prairie’s™ DLx™ Labor Management software and implement DLx training for 27 consultants, including 10 international consultants from six countries. This venture marked one of KSA’s earliest projects. Needless to say, it has produced tremendous opportunities for KSA, Red Prairie™, and Toys “R” Us.

Early in this project, KSA facilitated a jam-packed Best Practices Summit at

Toys “R” Us headquarters in Wayne, N.J. This gave the company an opportunity to share ideas with each other, as well as compete in an intense bowling match. In addition to various project team members, Jack Horst and Jim Severyn also helped make this summit a success.

KSA’s enthusiasm for this client goes without saying. To make this project even more exciting, Toys “R” Us provided enthusiasm of its own. Toys “R” Us Vice President of Logistics, Michael Jacobs, met face-to-face with all associates and management team members of each facility to kick off the performance improvement program. The name of the program is Productive Reliable Individuals Dedicated to Excellence (P.R.I.D.E.). Jacobs emphasized a big opportunity for Toys “R” Us to improve labor management. He

challenged all management teams across the network to make P.R.I.D.E. a success to help Toys “R” Us become more competitive. The support from Toys “R” Us did not stop there. Weekly network meetings frequently identified opportunities for improvement and translated into strong sponsorship from the local management teams in each facility.

Project teams had to be very flexible to maximize results for the client. The project took a phased approach, concentrating first on the larger DCs in Mount Olive, N.J.; Rialto, Calif.; McDonough, Ga.; Frederick, Md.; and Midlothian, Texas; and then focusing on the smaller DCs in Youngstown, Ohio; Lee’s Summit, Mo.; Stockton, Calif.; Joliet, Ill.; and Cincinnati, Ohio. Many team members traveled to multiple facilities, and there was flexibility with regard to project roles and activities.

The team was active in crafting new procedures, developing standards using Master Standard Data™, validating systems interfaces, validating standards, becoming experts on Red Prairie™ DLx™ software (which included training at Red Prairie™ headquarters in Eden Prairie, Minn.), training the client management teams, and yes, of course, driving performance. The team was able to develop experts in several of the aforementioned categories. Some staff consultants from the first set of DCs became project leads for the second set of DCs!

In addition to the internal developments in this project, the team is very excited about the potential \$10 million in savings the Toys “R” Us network may achieve next year and beyond!