the HOTSHEET

vol. 7 no. 68

Editor:

December 31, 1998

Publisher: Amy Burns

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Leanne Smullen

Logistics Services Group

QUOTE OF THE WEEK:

"GOOD RESOLUTIONS ARE LIKE BABIES CRYING IN CHURCH. THEY SHOULD BE CARRIED OUT IMMEDIATELY."

--CHARLES M. SHELDON



PROJECT POSTCARDS:



NEWS FROM NIKE

reetings from IT! Yes, even PEG IT consultants enjoy perusing the Hotsheet every week. I noticed that Cameron Geiger mentioned a project I worked on for Nike in a December 18 article. The project was an assessment of their order management system and processes, including EDI. Brady Knight, Eddie Perez (yes, the very same!), Julie Gentry and Ken Wilkes worked on it as well. In mid-December, Brady and Eddie presented our findings to Nike, and they were very well received.

You Logistics folks should know that Nike told us several times, in no uncertain terms, that we were invited to do this assessment because of the terrific job the Nike team has done at the apparel warehouse in Memphis. In fact, it was my pleasure to be there on the day that they went

live, and even the Customer Services Reps, with whom I was working, shared in the excitement. Congratulations to Bob Roge and the team!

-- MARY MEHRER

IN THE SPOTLIGHT



MARK THOMAS



I. Professional Information

- 1. Area(s) of Specialization w/in KSA
 Experience in Base Plus, Implementation, Strategy.
- 2. Work Experience Prior to KSA:
 Lieutenant US Army Executive Officer, Field Artillery Battalion
- 3. Current Client (Include a brief project description):
 Wolverine World Wide Rockford, Michigan. Currently working on Base Plus following an eight month Implementation effort for Wolverine's new 500,00 sq. ft. facility in Howard City, Michigan. First operation placed on standard last week.
- 4. List of Major Client Assignments (name only):

Hartschaffner/Marx Omni Wolverine World Wide

II. Personal Information

- 1. Place of Birth: Bryn Mawr, Pennsylvania
- 2. Married, Kids: Someday, after someday.
- 3. Schools Attended: United States Military Academy, West Point NY
- 4. Hobbies: Travelling, Tennis, and Running.
- 5. Astrological Sign: Taurus

6. Most Interesting Client Assignment & Why:

I have had great experiences at Wolverine. They place a great deal of stock in their employees. The employees are very courteous and friendly. Sponsorship on the project is always present.

7. Worst Client Assignment & Why:

I have never had a bad client assignment, just good learning experiences! However, a Receiving associate at Hartschaffner/Marx once told me with a straight face that he would shoot me if the rate was tight.

8. Most Interesting Place Visited:

Prague, Czechoslovakia

9. Favorite Quote: Any stanza from Rudyard Kipling's "If".

10. Biggest Regret:

Personal Philosophy: Regrets are for those who fail to see opportunities that lie ahead. **KSA Regret:** Losing to Raj Kumar in Training Class football.

11. Most Unusual or Funniest Experience:

KSA - Afterwards it was funny, but during, it was both unusual and nauseating. I was on a strategy project with Jack Horst for Omni. We were walking into Omni's corporate headquarters, and I was meeting a VP for the first time. As we approach the door, Jack turns to me and remarks: "Remember, I told this guy you had 30 years logistics experience."

Life – One summer at West Point I went to Airborne School in Ft. Benning Georgia. As we began "Jump Week", they sat us down for a briefing to explain what the procedures to follow in the event our parachutes did not deploy and we were still attached to the airplane. The instructors explained they would try to cut us loose and we could then pull our reserve chute. However if they failed in cutting us loose, they would then have to call the runway and tell them to "foam it". Not knowing the concept of "foam", I raised my hand and asked: "Will the foam save us from injury?" The instructor turned to me and said: "No son, the foam is to protect the plane from the sparks you create when we land with you dragging behind."

- 12. If you could live anywhere, where would it be: Barcelona, Spain. 2 Reasons: Paella and Sangria.
- 13. Frequent Flier Miles: Too few to mention.
- 14. Favorite Movie: Shawshank Redemption

- 15. **First Album (CD) Purchased:** Devo Whip it (No explanation)
- 16. **Tattoos (optional): No** Mom wouldn't allow it.

NOTES...NEWS...NONSENSE:

INSTRUCTIONS FOR LIFE

ive people more than they expect and do it cheerfully.

Memorize your favorite poem.

Don't believe all you hear, don't spend all you have, and don't sleep all you want.

When you say, "I love you, mean it.

When you say, "I'm sorry," look the person in the eye.

Believe in love at first sight.

Never laugh at anyone's dreams.

Love deeply and passionately. You might get hurt but it's the only way to live life completely.

In disagreements, fight fairly. No name-calling.

Don't judge people by their relatives.

Talk slow but think quick.

When someone asks you a question you don't want to answer, smile and ask, "Why do you want to know?"

Remember that great love and great achievements involve great risk.

Call your Mom.

Say "bless you" when you hear someone sneeze.

When you lose, don't lose the lesson.

Remember the three R's: Respect for self; Respect for others; Responsibility for all your actions.

Don't let a little dispute injure a great friendship.

When you realize you've made a mistake, take immediate steps to correct it.

SMILE when picking up the phone. The caller will hear it in your voice.

Marry a man/woman you love to talk to. As you get older, his/her conversational skills will be as important as any other.

Spend some time alone.

Open your arms to change but don't let go of your values.

Remember that silence is sometimes the best answer.

Now go and live life to the fullest.

--NICOLE JONES

HAPPY BIRTHDAY

Jim Severyn Gabrielle Pyle

1/2 1/7



K.B. Marshall Chris Port

1/6/97 1/6/97

the HOTSHEET

vol. 7 no. 67

Editor:

December 23, 1998

Publisher: Amy Burns

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Logistics Services Grou

QUOTE OF THE WEEK:

Leanne Smullen

"STILL... BUSINESSMEN ARE SAYING THAT THIS COULD BE THE GREATEST CHRISTMAS EVER. I ALWAYS THOUGHT THAT THE FIRST ONE WAS."

--ART FETTING

Seasons Greetings

PROJECT POSTCARDS:



WEST COAST LOGISTICS UPDATE

Early Christmas!

Tell, it seems that Santa may be getting senile and does not remember any bad things AADemaria, JTChampion, BTHumphries, JDDeRuiter, PEJorgensen, DHamrick, and LASenior may have done this year because Santa has delivered!

We just received confirmation that the **Disney Regional Entertainment and eToys** projects have officially sold!

- We kicked off DRE on Friday, December 18. We hope this first strategy phase will lead to a facility design project in late winter/ early spring 1999.
- To our knowledge, eToys is KSA's first Internet exclusive retailer. We will be providing the gamut of Logistics services for eToys including strategy, design, system selection, implementation, and productivity ramp-up in assisting eToys' effort of having a new DC for

next Christmas peak. This is an exciting engagement for KSA, as Internet retailing appears to be the wave of the future.

• The strategy project for Adidas is a strong possibility to start first quarter 1999.

Anyone suffering through a particularly cold winter might be interested in the fact that two of these projects are in Southern California, where winter temperatures still encourage Holiday barbecues. Adidas is in Portland, but maybe you could get a discount on warm sweat suits.

SFO Holiday Party

The hot white elephant gift this year was the Flipper (as on the TV show) cookie jar that belted off the familiar chatter whenever the head was tilted back to retrieve a cookie. For several glorious moments, both B. Humphries and J. DeRuiter had the much-coveted Flipper cookie jar. Which, of course, was not for them but for their daughters. Really. But alas, Flipper went to Charlie Cosovich and his wife (HSD). They plan on giving it to a good friend who is soon to study dolphins in New Zealand. Really.

Calyx & Corolla

After thorough reference checks, the Catalog Management System (CMS) of choice for Calyx & Corolla is Page Digital's Advantage Plus. This is the first time Page Digital and KSA have worked together and all are excited about commencing on a successful implementation effort. Maintaining the early Christmas theme, corporate mugs were exchanged and then work began (notice the priorities).

Modifications have been determined, an implementation plan agreed to, and we're off to the races. For the next several months, Doug Way, Edwin Lager, & Jeff DeRuiter will be working diligently with Calyx & Corolla and Page Digital to define the various business approaches, report modifications, conversion requirements, and many other propeller-head items. Then...testing, testing, testing. And once that is done, we'll probably test some more!

- BRAD, JEFF, AND PRISCILLA

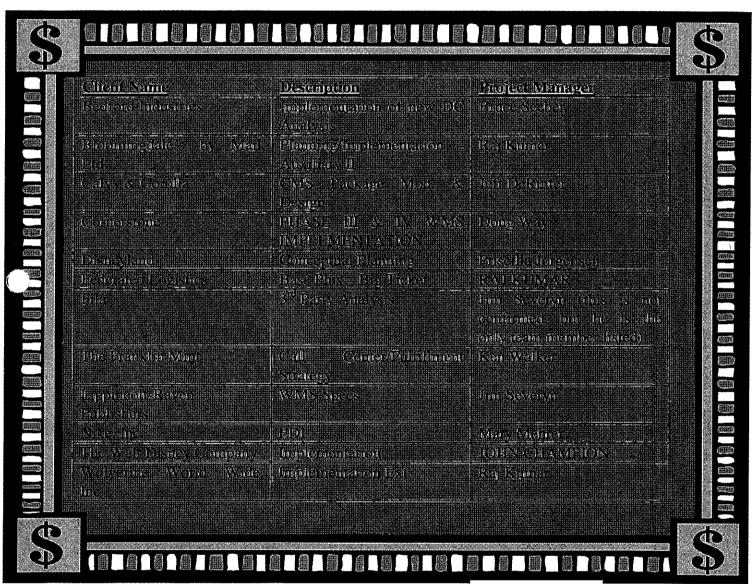
BUILDING CLIENT RELATIONSHIPS 101

hen the client asks you to dance and sing, you should dance and sing. On a recent visit with The Bon Marche in Seattle, WA (part of Federated Logistics), we took a break from our meeting to participate in a holiday party. The Bon partners with a grade school (to whom they provide tutoring, mentoring, make donations, etc.) who came to their cafeteria for holiday caroling. We joined in the singing, which was fun, but then came the encore song - the kids ran into the audience and grabbed a dance partner, which they pulled up to the front. Being about the only male in the room, I was like a bulls-eye and got nabbed immediately. The kids taught us to dance and sing to a Hawaiian Christmas song (the name escapes me...). Luckily, our sponsor (Kathy Peterson) was selected as well, and we jointly amused the audience. What a way to start a client relationship and the holidays...

--BRAD HUMPHRIES

RECENT SALES

elow is a list of Period 11 sales for the Logistics Department. If you have a sale that is not listed or you find that there are variances in any of the information, please contact Laura Legg as soon as possible. Congratulations to everyone who participated in each of these Sales!



GEEK OF THE WEEK



he Geek of the Week Award goes to Melissa McPhail. Melissa reached a milestone in her life this week when she "finished the first entire box of staples she has ever finished all by herself." Attention to detail is good, Melissa. Counting the number of staples you use is not...

--FRANK LEGGIO

NOTES...NEWS...NONSENSE:

A NEW WAY TO BUY A NEW CAR

ooking for a great deal on a new car? Want to negotiate the best price without spending hours haggling with a salesperson in a car dealership? KSA's own, Tony DeMaria, has developed a method to do just that. Below is a sample letter to fax out to dealerships in your area. In addition to the letter, a sample price quote sheet is available by e-mailing your request to Nicole Jones.

Just listen to what satisfied customers had to say about using this shopping method:

Brad Humphries: "Using this method takes all negotiating out of the system ---It gives the customer complete control. The customer can make it a competition by pitting one dealer against another to get the best possible deal."

Tony DeMaria: "Even if the money is in your pocket, once you are in the dealer's showroom, he owns you. Here is a customer's opportunity to tell the salesman and sales manager to wait while you compare responses from all of the dealerships and have an answer for them in your own time."

Dear Sales Manager:

Your dealership has been selected to provide a price quote on a new (vehicle of choice). I have decided that I will be purchasing this vehicle, but have not determined which dealer I will purchase it from. I would

like to have the vehicle purchased by close of business on *(preferred date)* (I can accept later delivery, but want the deal finalized).

Please see the attached "price quote sheet". I would like the vehicle quoted two ways: exactly as specified with all selected options <u>and</u> the closest vehicle you have on the lot (or are expecting soon). I will either pay <u>cash</u> or would consider the best financing package available (please describe).

Let me reiterate that I will be purchasing this vehicle as quickly as possible. I am not interested in negotiations; please commit to your lowest pricing possible. I would like the fax returned to me by close of business on *(preferred date)*. I look forward to the opportunity to do business with you. Please call me with any questions.

Best regards,

--TONY DEMARIA

BOOKS TO READ BEFORE I DIE

his list began during Logistics Training in June 1997. That class, which included Matt Maddox, Jeanette Brady-Townsend, Melisa Olson, Chris Paddock, Dan Purefoy, KB Marshall, and Chris Dowd (no offense to whoever I forgot!), was sitting in a pizza joint one night, drinking beer, and discussing matters of great import. One such topic that we stumbled upon while figuring out how to save the world was "What Books Must You Read Before You Die?" (This question, of course, is in the same genre as "What Cities Must You Visit Before You Die?" and "What Movies Must You See Before You Die?")

At any rate, this list began to grow as Matt solicited input from KSAers outside of that training class. Below is the list in its current state. Each person was asked to list the three books they think should be on the list. As you can see, some of us cheated a bit because we just couldn't narrow it down to three. Duplicate entries have been dropped off, with "credit" being given to the first person to list the book.

We thought this was a good time to publish the list, with the holidays upon us. Matt and I welcome your feedback, book reviews, and additions to the list! If there's enough interest, we can publish it periodically. Happy Holidays!

Consultant	Book	Author
Matt Maddox	Love in the Time of Cholera	Gabriel Garcia Marquez
	For Whom the Bell Tolls	Ernest Hemingway
	Candide	Voltaire
•	Brave New World	Aldous Huxley
	Catch-22	Joseph Heller
	Confederacy of Dunces	John Kennedy Toole
Chris Dowd	The Brothers Karamozov	Fyodor Dostoevsky
	The Master and Margarita	Sergei Bulgakov

	I Know Why the Caged Bird Sings	Maya Angelou
	The Picture of Dorian Gray	Oscar Wilde
	Of Mice and Men	John Steinbeck
	Native Son	Richard Wright
Dorron Margalit	Fear and Loathing in Las Vegas	Hunter S. Thompson
	Slaughterhouse 5	Kurt Vonnegut
	Half Asleep in Frog Pajamas	Tom Robbins
Mike DeBruyn	Lord of the Rings	J.R.R. Tolkien
	Black Sunday	Thomas Harris
	Lonesome Dove	Larry McMurtry
Scott Sangrey	The Celestine Prophecy	Dr. James Redfield
Door Danger	Where Have You Been, Joe Merchant?	Jimmy Buffet
Chris Paddock	A Separate Peace	Charles Dickens
	Great Expectations	Charles Dickens
	Prince of Tides	Pat Conroy
Steve Szilagyi	Atlas Shrugged	Ayn Rand
Sieve Sznagyi	Breakfast of Champions	Kurt Vonnegut
	Mother Night	Kurt Vonnegut
·	The Bible	ixuit voimegut
A amoun Tradid	YYanan XV anat II	W. 11
Aaron Todd	Henry V, part II Rosencrantz and Guildenstern are	William Shakespeare
	Dead Cuildenstern are	Tom Stoppard
	Player Piano	Kurt Vonnegut
	The Eight	Katherine Knevell
	Assault on Lake Acetis	Brad Allen Lewis
Jim Giddings	Watership Down	
	All the Pretty Horses	Cormac McCarthy
	Flatland	Cormac Micouring
	Elements of Style	
Ken Acosta	The Killer Angels	Jeff Shaara
	The Cain Mutiny	Herman Woulk
	Fate is the Hunter	Ernest Gann
A J Y . 1.	Civil i di B	1D 0 1
Andy Johnson	Catcher in the Rye	J.D. Salinger
	Shogun	James Clavell

Al Sambar	The Hunters	James Salter
Jana Hughes	A Prayer for Owen Meany The Millionaire Next Door	John Irving
	The Millionaire Next Door	
Scott Vifquain	Tale of Two Cities	Charles Dickens
Bob Roge	The Guns of August	Barbara Tuchman
Melisa Olson	The Client	John Grisham
	The Places You'll Go	Dr. Seuss
	Pride and Prejudice	Jane Austen
	Illusions	Richard Bach
Jeanette Townsend	Wuthering Heights	
	My Old Man and the Sea	David and Daniel Hays
	The Eye of the Needle	Ken Follett

--CHRIS DOWD

THE SPIRIT OF CHRISTMAS

t's just a small, white envelope stuck among the branches of our Christmas tree. No name, no identification, no inscription. It has peeked through the branches of our tree for the past 10 years or so.

It all began because my husband Mike hated Christmas---oh, not the true meaning of Christmas, but the commercial aspects of it-overspending... the frantic running around at the last minute to get a tie for Uncle Harry and the dusting powder for Grandma-the gifts given in desperation because you couldn't think of anything else. Knowing he felt this way, I decided one year to bypass the usual shirts, sweaters, ties and so forth. I reached for something special just for Mike.

The inspiration came in an unusual way. Our son Kevin, who was 12 that year, was wrestling at the junior level at the school he attended; and shortly before Christmas, there was a non-league match against a team sponsored by an inner-city church. These youngsters, dressed in sneakers so ragged that shoestrings seemed to be the only thing holding them together, presented a sharp contrast to our boys in their spiffy blue and gold uniforms and sparkling new wrestling shoes. As the match began, I was alarmed to see that the other team was wrestling without headgear, a kind of light helmet designed to protect a wrestler's ears. It was a luxury the ragtag team obviously could not afford. Well, we ended up walloping them. We took every weight class. And as each of their boys got up from the mat, he swaggered around in his tatters with false bravado, a kind of street pride that couldn't acknowledge defeat.

Mike, seated beside me, shook his head sadly, "I wish just one of them could have won," he said. "They have a lot of potential, but losing like this could take the heart right out of them."

Mike loved kids-all kids-and he knew them, having coached little league football, baseball and lacrosse. That's when the idea for his present came. That afternoon, I went to a local sporting goods store and bought an assortment of wrestling headgear and shoes and sent them anonymously to the inner-city church. On Christmas Eve, I placed the envelope on the tree, the note inside telling Mike what I had done and that this was his gift from me.

His smile was the brightest thing about Christmas that year and in succeeding years. For each Christmas, I followed the tradition-one year sending a group of mentally handicapped youngsters to a hockey game, another year a check to a pair of elderly brothers whose home had burned to the ground the week before Christmas, and on and on. The envelope became the highlight of our Christmas. It was always the last thing opened on Christmas morning and our children, ignoring their new toys, would stand with wide-eyed anticipation as their dad lifted the envelope from the tree to reveal its contents.

As the children grew, the toys gave way to more practical presents, but the envelope never lost its allure. The story doesn't end there. You see, we lost Mike last year due to dreaded cancer. When Christmas rolled around, I was still so wrapped in grief that I barely got the tree up.

But Christmas Eve found me placing an envelope on the tree, and in the morning, it was joined by three more. Each of our children, unbeknownst to the others, had placed an envelope on the tree for their dad.

The tradition has grown and someday will expand even further with our grandchildren standing around the tree with wide-eyed anticipation watching as their fathers take down the envelope. Mike's spirit, like the Christmas spirit, will always be with us.

--MELISSA MCPHAIL

the HOTSHIEE

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Logistics Services Grou

QUOTE OF THE WEEK:

"YOU MUSTN'T FORGET TO MAIL YOUR PACKAGES EARLY, SO THE POST OFFICE CAN LOSE THEM IN TIME FOR CHRISTMAS."

--JOHNNY CARSON



PROJECT POSTCARDS:

THE STAR REPORT

reetings from Deep in the Heart of Texas! Chris Rettig joined us on the Blockbuster BasePlus® Project right after Thanksgiving, and we are thrilled to have her on our team! We now have three "Chris's" in the office, which makes an interesting name dynamic (including our two client engineers, Gabe and Abe). Chris is especially happy to be in the South for a mild winter. On a personal note, it's nice to have a fellow Northwestern alum around, given the hard-core Aggie and Fighting Irish mentality on the team!

Our STAR (Share Teamwork and Rewards) Program is going very well. Since our last HotSheet entry, we have put three more departments on standard: Manual New Release Processing, Receiving, and Automated New Release Processing. As of now, we have about 500 people on standard! Our kick-offs have been a lot of fun with multi-colored helium balloons (Jana Hughes' and Chris Dowd's "helium-influenced" voices are hilarious!) displayed on the floor and Prince's "Baby, I'm a Star" played loud for all departments to hear. Document Control, New Store Processing, and Manual New Release Processing have all done extremely well since they have gone on standard. New Store Processing is performing at a department average of 100%, which is not only extremely rewarding for the associates in the department, but it is also rewarding for us to see how effective our work has been to improve productivity.

We hope everyone has a healthy and happy holiday season and new year!

--ELISABETH GOLDSTEIN

CONVERSION DAY AT NIKE

The finally made it. Conversion day has come at last! On Monday December 14th, Nike completed its final phase of conversion for the outbound processes. This is the capstone of 2 years of hard work that has consumed the time and focus of almost 2 dozen KSAers. It's not over yet, but the accomplishments to date are notable. On Day One, we shipped over 80,000 units! Our post go-live support will be made easier because of our commitment to excellence so far. Over the past few weeks, we have provided 24-hour shift coverage with some weekend coverage included. Because of the cross-functional expertise we have developed throughout the team, we are able to staff KSA support to meet personal and professional commitments with minimal conflict. Best of all, the client remains highly appreciative of our efforts and commitment. There will be no rest for the weary during the holiday season, as Nike continues to ramp up the volume to meet shipping goals. In January, we begin to test the Inbound processes. We are confident that our Nike-KSA-Manhattan Associates team will continue to excel as we move forward to meet the opportunities ahead!

-- CAMERON GEIGER

WINTER UPDATE FROM DM MANAGEMENT

reetings from New Hampshire! Typically I would say it is a winter wonderland by now but we only received our first real snow yesterday. Traffic has slowed to a crawl and all of the Floridians are making a dash for the border. Even deer hunting season is finally over so we can hike in the woods without fear of Massachusetts "hunters." I was always taught that bright colors kept you safe from hunters but those from Massachusetts believe the brighter the color the more points the buck has.

Down to business. November 30th marked the first day of full operations here in **DM Management's** new Distribution Center. We started small—only \$25,000 worth of merchandise was shipped. Despite the volume we went live with no real problems. A real triumph for the team. We went from crawl to walk to run within six hours. Day two went much better. With only two pickers, two stockers and four packers (and a few KSAers in reserve) we were able to ship over \$100,000 worth of merchandise. Even the client was amazed at what could be accomplished with so few associates. We're at run-in stage of the project, with much left to be done. We hope to build on the success of the last two weeks and continue with no major problems. Now, if only we could get all this snow to move onto the ski slopes we would be ready for the weekend. Maybe next week we can start ice fishing!

--K.B. MARSHALL

VENDOR VITTLES

TILT TRAY SORTER REFERENCE GUIDE

he Tilt Tray Sorter Reference Guide has been completed! It is a stand-alone document that any KSAer can use to become more familiar with tilt tray technology and design. Several KSAers have already used it and found it helpful, especially in the design phase of a project. The guide will be added to our body of knowledge and is available electronically. In addition, hard copies will be on file with each of our Logistics Analysts. Special thanks to Amy Burns for putting it all together and for the client-related input from: Torre Crupie, Iris Chang, Randy Unger, Todd Soller, Scott Sangrey and Chris Mazzei.

-- CAMERON GEIGER

NOTES...NEWS...NONSENSE:

SANTA CLAUS: AN ENGINEER'S PERSPECTIVE

(Publisher's Note: Parental Consent Required—Extreme Violence and Graphic Language)

here are approximately two billion children (persons under 18) in the world. However, since Santa does not visit children of Muslim, Hindu, Jewish, or Buddhist religions, this reduces the workload for Christmas night to 15% of the total, or 378 million (according to the Population Reference Bureau). At an average (census) rate of 3.5 children per household, that comes to 108 million homes, presuming that there is at least one good child in each.

Santa has about 31 hours of Christmas to work with, thanks to the different time zones and the rotation of the earth, assuming he travels east to west (which seems logical). This works out to 967.7 visits per second. This is to say that for each Christian household with a good child, Santa has 1/1000th of a second to park the sleigh, hop out, jump down the chimney, fill the stockings, distribute the remaining presents under the tree, eat whatever snacks have been left for him, get back up the chimney, jump into the sleigh, and get on to the next house. Assuming that each of these 108 million stops is evenly distributed around the earth (which, of course, we know to be false, but will accept for the purposes of our calculations), we are now talking about 0.78 miles per household; a total trip of 75.5 million miles, not counting bathroom stops or breaks. This means Santa's sleigh is moving at 650 miles per second, 3,000 times the speed of sound. For purposes of comparison, the fastest man-made vehicle, the Ulysses space probe, moves at a poky 27.4 miles per second, and a conventional reindeer can run (at best) 15 miles per hour.

The payload of the sleigh adds another interesting element. Assuming that each child gets nothing more than a medium sized Lego set (two pounds), the sleigh is carrying over 500,000 tons, not counting Santa himself. On land, a conventional reindeer can pull no more than 300 pounds. Even granting a "flying" reindeer could pull ten times the normal amount, the job can't be done with eight or even nine of them. Santa would need 360,000 of them. This increases the payload, not counting the weight of the sleigh, another 54,000 tons. 600,000 tons traveling at 650 miles per second creates enormous air resistance. This would heat up the reindeer in the same fashion as a spacecraft reentering the earth's atmosphere. The lead pair of reindeer would absorb

14.3 quintillion joules of energy per second each. In short, they would bust into flames almost instantaneously, exposing the reindeer behind them and creating deafening sonic booms in their wake. The entire reindeer team would be vaporized within 4.26 thousandths of a second, or right about the time Santa reached the fifth house on his trip.

Not that it matters, however, since Santa, as a result of accelerating from a dead stop to 650 miles per second in .001 seconds, would be subjected to centrifugal forces of 17,500 g's. A 250 pound Santa (which seems ludicrously slim) would be pinned to the back of the sleigh by 4,315,015 pounds of force, instantly crushing his bones and organs, and reducing him to a quivering blob of pink goo.

Therefore, if Santa did exist, he's dead now.

--MARK MESSINGER

ENGINEERS' PHRASES -- TRANSLATED INTO PLAIN ENGLISH

- 1. A NUMBER OF DIFFERENT APPROACHES ARE BEING TRIED-We are still clueless.
- EXTENSIVE REPORT IS BEING PREPARED ON A FRESH APPROACH TO THE PROBLEM--We just hired three kids fresh out of college.
- 3. CLOSE PROJECT COORDINATION--We know whom to blame.
- 4. MAJOR TECHNOLOGICAL BREAKTHROUGH-- It works only so so, but looks very hi-tech.
- 5. CUSTOMER SATISFACTION IS DELIVERED ASSURED—We are so far behind schedule the customer is happy just to get it delivered.
- 6. PRELIMINARY OPERATIONAL TESTS WERE INCONCLUSIVE— The darn thing blew up when we threw the switch.
- 7. TEST RESULTS WERE EXTREMELY GRATIFYING—We are so surprised that the stupid thing works.
- 8. THE ENTIRE CONCEPT WILL HAVE TO BE ABANDONED—The only person who understood the thing quit.
- 9. IT IS IN THE PROCESS-- It is so wrapped up in red tape that the situation is about hopeless.
- 10. WE WILL LOOK INTO IT--

Forget it! We have enough problems for now.

11. PLEASE NOTE AND INITIAL ---

Let's spread the responsibility for the screw up.

12. GIVE US THE BENEFIT OF YOUR THINKING--

We'll listen to what you have to say as long as it doesn't interfere with what we've already done.

13. GIVE US YOUR INTERPRETATION--

I can't wait to hear this bull!

14. SEE ME OR LET'S DISCUSS---

Come into my office, I'm lonely.

15. ALL NEW--

Parts not interchangeable with the previous design.

16. RUGGED--

Too darn heavy to lift!

17. LIGHTWEIGHT--

Lighter than RUGGED.

18. YEARS OF DEVELOPMENT--

One finally worked.

19. ENERGY SAVING--

Achieved when the power switch is off.

20. LOW MAINTENANCE--

Impossible to fix if broken.

--IRIS CHANG

LOGISTICS FOOTBALL LEAGUE SUPERBOWL

hroughout the fall, many KSAers have participated in a fantasy football league that involves choosing professional football players and tracking their performances. Each KSAer's team, composed of players from different NFL teams, compares its performance each week to the teams of other KSAer's, with points assigned for touchdowns and yardage.

This weekend is the Superbowl of the Logistics Football League (LFL), featuring a matchup between the League's Commissioner, Enrique Morales, and last year's champion, Matt Maddox.

Enrique's team, the Demonic Leprechauns, will face Maddox's squad, the Battlin' Benchwarmers, for the prized Riepenhoff Trophy.

The LFL consists of four conferences and last weekend the conference champions played to determine the Superbowl matchup. The Demonic Leprechauns, champions of the Mike Swift Conference, stuffed Raj Kumar's Ground Zero, champions of the Randy Moore Conference. The Battlin' Benchwarmers, champions of the Tony DeMaria Conference, defeated Scott Sangrey's Rouge Warriors, champions of the Torre Crupie Conference, to advance to the Superbowl.

No love is lost between the two top squads. Morales and Maddox are widely regarded as the premier trash-talkers of the League, and the pre-Superbowl hype has been fierce. Maddox started the madness by commenting, "It looks like the LFL Superbowl won't even be close. My bench outscored Enrique's starters in the semi-finals. Can you imagine losing to the Benchwarmers' benchwarmers? I think we're going to have to call it off at halftime so that Enrique can slink off the field with a little dignity intact. What do you say, Enrique? I'll accept forfeits until Friday night - after that you'll have to line up across the field from the most successful franchise in LFL history. And I've got a score to settle with you for trying to throw me out of the league."

Enrique quickly responded: "For those of you not well versed in Maddoxeese... let me translate his message for you:

And that's the abridged version (that means the short version Maddox)"

Later, Maddox threatened to "shave off [Enrique's] silly little goatee" after the game, provoking the League's Enforcement Officer, Mike DeBruyn, to inveigh, "I hope all of you (especially Maddox) realize just how angry Enricky needs to be in order to lash out this way. Maddox, I'd recommend toning it down just a bit. If Enricky blows, there's gonna be a cocoa krispies and pizza crusts mushroom cloud the size of a battleship over downtown Detroit."

While their starting lineups are closely guarded secrets, many KSAers will be watching closely to see if Maddox's bruising running attack can keep pace with Morales' high-flying receiving corps. It promises to be a classic battle for the Riepenhoff Trophy, with a year's worth of bragging rights (and a HUGE cash prize) at stake.

--MATT MADDOX

the HOTSHEET

vol. 7 no. 65

December 11, 1998

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Just a reminder...Hotsheet submissions are due each week by Wednesday at 5:00 pm. Any item received after the designated due date will be bumped to the following week's edition. Thank you for the creative contributions this year and keep the new ideas pouring in.

PROJECT POSTCARDS:

TO ALL LOGISTICS RELOCATORS...

SA is in the process of rolling out software upgrades for all PC's in the firm. The upgrade includes Outlook98, IE Explorer 4, and more. In most instances, the upgrade does not require that your machine be re-ghosted, but does require around 150mb of free space on your hard drive. We will upgrade all computers by March 1, 1999. The current software is usable until your computer is upgraded. You'll still be able to operate as normal with e-mail, the network, etc.

The process for upgrading Relocators' laptops will be as follows:

- Upgrades can be performed in Atlanta, Princeton, and New York if you are near these offices.
 Please call the Help Desk to set up a date/time for this service. The upgrade normally takes about two hours.
- If you won't be in an office in the near future, please send your machine to Atlanta. Call the Help Desk to set up a service date. You should be able to send your machine in via FedEx, have it serviced the next day, and returned to you the following day. Make sure to package the laptop carefully. Please do not use the FedEx letterbox.

• Include your power cord, your sign-on name, and your password for the upgrade. Also make certain to tape your business card to the outside of the machine and the power cord.

If you have any questions, please call the Help Desk at 1-877-HELP KSA.

--RANDY MOORE

TALES FROM THE OHIO CHRISTMAS PARTY

n Tuesday December 1st there was a force in the air. A force so powerful that it caused select individuals (we will use names to make fun of the innocent) to gravitate towards a chosen spot. Was this fate, an anomaly of the socio-political order, the raw attraction of free food and beer? Close. What brought us all together that night is a force more powerful than any other is. The "CENTRIOD". Without the "CENTROID" a lot of us probably wouldn't be here, and many more of us wouldn't know that here existed. Blame the interstate highway system, blame UPS or blame all retail and catalog companies in general, the fact of the matter is that when you toss up a whole lot of relocating logistics consultants it's not surprising that most of them land in Ohio (although a few try their hardest to bounce as close to New York as possible). And when the Holidays come 'round they observe Uncle Kurt's core'est of values, to "Have Fun".

The Ohio Holiday Party was held at "Jillians" (similar to Dave&Busters) in the trendy Short-North area of Columbus. Principals, managers and consultants (and a spouse or two) traveled from far and wide to attend. Thanks Todd Soller and Randy Unger for coming in all the way from Parkersburg (Parkers-"Vegas" WV). The members of the Columbus office would also like to thank the members of the newly formed Cincinnati office (you know who you are) for making good use of I-71. It was also a treat to see all the "fly-ins" who attended, adding that needed touch of maturity to the event.

While in the thanking mode--thanks to Arshad Ashraf and Val Levy for proving that East Coast fashion <u>can</u> infiltrate the Midwest. Pretty soon the whole world will be wearing black.

Other Notes and Quotes from the party:

- Tim Copland lives up to his car's license tag ("DRV HRD 2") and WILL beat anyone in a simulation driving game. (The deciding race was won driving a golf cart)!
- Ken Acosta could leave all this time studying stuff behind and make a career out of downhill skiing, at least according to SEGA.
- Heard near the nostalgia corner of the video games room:
 - Principal: "I remember buying this game for my kid on ATARI."
 - Manager: "I remember playing this as a kid on ATARI."
 - Relocator: "What's an ATARI?"
- After losing to Dorron Margalit in a close game of 8-Ball Pool, Mike Swift owes Dorron the title of "Principal for a Day."
- Diallo Tyson as "Dirt Dawg"? (The full story is still unknown).

Thanks again to those who attended. We were all reminded of what makes **KSA** the special and unique company that it is.

-- DORRON MARGALIT

ALL WE WANT FOR CHRISTMAS IS... BY WEST COAST LOGISTICS

- 1.) eToys Logistics Strategy Project.
 - Proposal submitted on 12/7. Project duration: 14 months. Location: Santa Monica, CA, and TBD location for new facility. Senior support: AADeMaria
 - Visit their website (<u>www.etoys.com</u>) for help in choosing that perfect elusive toy without fighting those Toys R Us crowd. Two key differentiators (from amazon.com and other competitors): eToys shows if product is not immediately available and provides personalized to/from labels and wrapping.
 - Maybe you have seen the Visa/eToys commercial"Twas the night before Christmas and all through the house, not a creature was stirring, well maybe a mouse." (as in computer mouse of someone shopping the Internet)
- 2.) adidas Strategy Survey
 - Proposal submitted on 12/4. Project duration: 6 weeks. Location: Portland, OR. Senior Support: AADeMaria
 - We'll be working with adidas to perform surveys, interviews, and brainstorming sessions with key customers to determine the best Logistical strategy for adidas.
- 3.) Disney Regional Entertainment Logistics Strategy
 - Proposal submitted on 12/7. Project duration: 2 weeks. Location: Burbank, CA.
 Senior Support: JTChampion, AADeMaria
 - Disney is aggressively pursuing three different concepts ESPN Zone (regional sporting paraphernalia), Club Disney (themed-party headquarters), and DisneyQuest (interactive experiences) and needs help determining how they will distribute product to these new facilities.
- P.S.—Santa, and a lot of follow-on proposals for all the above.
- --Brad Humphries, Jeff DeRuiter, and Priscilla Jorgensen

VENDOR VITTLES

PRIMAVERA BRINGS ORDER TO EVERYDAY PROJECTS

Interstate highway through a major city, project management software provides a great tool to keep track of the resources and costs for a complex series of tasks. Project management software for this purpose is widely available and ranges from simple, inexpensive products such as Microsoft Project to top-of-the-line applications from Primavera Systems or Artemis. For most corporate managers, who are usually running many concurrent projects, this type of project management application is overkill, not to mention too time consuming. Already a leader in high-end project management, Primavera has decided to tackle the everyday corporate projects with a new product called Project Portfolio Management. This product is designed to track and provide role-based reporting on projects with a minimal amount of data collection or plan maintenance.

The idea for Project Portfolio Management comes from a very real, yet under served function of most middle- and all upper-level managers, which is the management of multiple projects. These are projects that are typically not someone's full-time job and might include things such as an initiative to improve inventory turns, add a new sales office, or improve a business process. Project Portfolio Management is aimed at the part of the manager's job that probably consumes most of his/her time such as attending meetings, coordinating resources, and monitoring the progress of many small projects. Project Portfolio Management uses a configurable, Web-based briefing book to keep managers updated on project progress and allows various projects to be rolled up and aggregated for upper management.

Although Primavera presents Project Portfolio Management as a streamlined project management tool, this product best fits into one the fastest growing, yet loosely defined areas of enterprise applications-Strategic Enterprise Management (SEM). When you net it all out, most senior managers are interested in two things: the status of current operations and the progress of projects aimed at making future performance better. Thus far, enterprise applications, including the early wave of SEM applications from companies such as SAP, PeopleSoft, and Lawson, have been aimed at the former. This would seem to leave enormous potential for the latter.

Can Primavera tap into this market? The company is most likely to have it first successes selling into its existing client base-companies that already use its flagship project management tool P3. Beyond this base, Primavera makes a good partner for enterprise applications vendors serious about SEM. On its own, the company may have trouble getting its share of attention amidst the noise created by the enterprise applications market leaders.

-- CAMERON GEIGER

3PL CANCELLATIONS INCREASE

ccording to a study by Mercer Management Consulting, 43% of North American Fortune 500 manufacturers cancelled at least one third-party provider this year, versus 37% last year. Common reasons cited by the 3PLs:

- Client failure to share sensitive data with the 3PL
- Client failure to closely monitor 3PL activities
- Unrealistic client expectations

Kip Hawley, CEO of Skyway Freight, noted a client pattern of satisfaction with 3PL results in the first year - reduced inventories, improved efficiencies, etc - followed by a "what's next" attitude. Many clients that cancelled agreements did so in the second year of an agreement.

-- TOM CLEMENT

NOTES...NEWS...NONSENSE:

THE ROAD WARRIOR

lone and lost, yet his path seems guided.
Embellished in pleasantries, yet knows no luxuries.
The road can mean pain, yet the pain means life.
He never tries to be, yet always is, The Road Warrior.

Tattered and torn, yet compelled to do more. Fostered by simplicity, in a world of complexity. The road can mean time, yet the time can mean life. He never tries to be, yet always is, the Road Warrior.

Admired and praised, yet sometimes humbled. Known by many, understood by few. The road can mean solitude, yet solitude life. He never ties to be, yet always is, the Road Warrior.

--RAJ B. KUMAR

ANSWERS TO LAST WEEK'S QUICK RIDDLES

- 1. Holes
- 2. Nine
- 3. White: the house is build directly on the North Pole
- 4. Mount Everest
- 5. No, because he's dead
- 6. She lives in the Southern Hemisphere, where the seasons are reversed

- 7. Penguins are native to Anarctica
- 8. Only one—the "last" one
- 9. Moses wasn't on the ark
- 10. Once. After the first calculation, you will be subtracting 5 from 20, then 5 from 15, and so on
- 11. There is no direct in a hole
- 12. The match

- 13. A secret
- 14. Darkness
- 15. A hole
- 16. Footsteps
- 17. A coffin

- 18. They read the same right side up, and upside down
- 19. Gloves
- 20. Because he is still alive

GREAT TRUTHS ABOUT LIFE THAT ADULTS HAVE LEARNED

Raising teenagers is like nailing JELLO to a tree.

There is always a lot to be thankful for if you take time to look for it. For example, I am sitting here thinking how nice it is that wrinkles don't hurt.

One reason to smile is that every seven minutes of every day, someone in an aerobics class pulls a hamstring.

The best way to keep kids at home is to make the home a pleasant atmosphere... and let the air out of their tires.

Carsickness is the feeling you get when the monthly car payment is due

Families are like fudge .. mostly sweet with a few nuts.

Today's mighty oak is just yesterday's nut that held its ground.

Laughing helps. It's like jogging on the inside.

Middle age is when you choose your cereal for the fiber, not the toy.

My mind not only wanders, sometimes it leaves completely.

One day I shall burst my buds of calm and blossom into hysteria.

If you can remain calm, you just don't have all the facts.

Eat a live toad first thing in the morning, and nothing worse can happen to you for the rest of the day.

You know you're getting old when you stoop to tie your shoes and wonder what else you can do while you're down there.

--PAM BECKERMAN

THE NAVY SINKS UNDER ARMY PRESSURE 34 – 30!

The Cadets aggressively rallied from an 11-point fourth-quarter deficit to claim their victory.

On hand to support the teams were Shawn Olds, Mark Messinger, Al Sambar and Enrique Morales. While Enrique and Mark would not definitively side with either team, Shawn and Al chose to support their respective Alma Maters. Unfortunately for Al, his team came in second place.

Navy came on the field strong in the first quarter. Army quickly replaced its fumbling



Pictured left to right: Shawn Olds, Mark Messinger, Al Sambar, and Enrique Morales

quarterback, Cadet Johny Goff, with sophomore Joe Gerena who led the offense to two scores on their next two possessions, giving them a 13–10 lead.

Navy answered with three touchdowns, two of which were passing touchdowns by Navy sophomore quarterback, Brian Broadwater. With only inches to go, Navy fumbled the ball in its own endzone and Army recovered and returned for a touchdown. Army then forced another turnover which allowed Cadet senior fullback Ty Amey to scramble 70 yards for

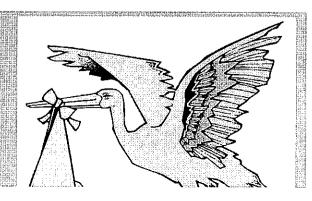
the go-ahead touchdown which put Army up for good 31-30. With less than two minutes, after driving 58 yards in 11 plays, Army opted to settle for a 26-yard field goal by Army senior kicker Eric Olsen to put the Cadets up by four.

As I am sure, many of your heard, near tragedy struck during the game when a railing collapsed, causing fans to fall approximately 10 feet to the turf below. Eight of the nine injured fans were released later in the day; the most seriously injured was released Sunday in good spirits, telling reporters simply "GO ARMY beat navy!"

--SHAWN OLDS

CONGRATULATIONS!

We are very pleased to announce that Poornima Kaddi and her husband, Senthil Angamuthu, had a baby boy, Shreyas, on November 25. He weighed in at 8 lbs: and



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QUOTE OF THE WEEK:

"YOU MUSTN'T FORGET TO MAIL YOUR PACKAGES EARLY, SO THE POST OFFICE CAN LOSE THEM IN TIME FOR CHRISTMAS."

--JOHNNY CARSON



PROJECT POSTCARDS:

THE STAR REPORT

reetings from Deep in the Heart of Texas! Chris Rettig joined us on the Blockbuster BasePlus® Project right after Thanksgiving, and we are thrilled to have her on our team! We now have three "Chris's" in the office, which makes an interesting name dynamic (including our two client engineers, Gabe and Abe). Chris is especially happy to be in the South for a mild winter. On a personal note, it's nice to have a fellow Northwestern alum around, given the hard-core Aggie and Fighting Irish mentality on the team!

Our STAR (Share Teamwork and Rewards) Program is going very well. Since our last HotSheet entry, we have put three more departments on standard: Manual New Release Processing, Receiving, and Automated New Release Processing. As of now, we have about 500 people on standard! Our kick-offs have been a lot of fun with multi-colored helium balloons (Jana Hughes' and Chris Dowd's "helium-influenced" voices are hilarious!) displayed on the floor and Prince's "Baby, I'm a Star" played loud for all departments to hear. Document Control, New Store Processing, and Manual New Release Processing have all done extremely well since they have gone on standard. New Store Processing is performing at a department average of 100%, which is not only extremely rewarding for the associates in the department, but it is also rewarding for us to see how effective our work has been to improve productivity.

We hope everyone has a healthy and happy holiday season and new year!

--ELISABETH GOLDSTEIN

CONVERSION DAY AT NIKE

This is the completed its final phase of conversion for the outbound processes. This is the capstone of 2 years of hard work that has consumed the time and focus of almost 2 dozen KSAers. It's not over yet, but the accomplishments to date are notable. On Day One, we shipped over 80,000 units! Our post go-live support will be made easier because of our commitment to excellence so far. Over the past few weeks, we have provided 24-hour shift coverage with some weekend coverage included. Because of the cross-functional expertise we have developed throughout the team, we are able to staff KSA support to meet personal and professional commitments with minimal conflict. Best of all, the client remains highly appreciative of our efforts and commitment. There will be no rest for the weary during the holiday season, as Nike continues to ramp up the volume to meet shipping goals. In January, we begin to test the Inbound processes. We are confident that our Nike-KSA-Manhattan Associates team will continue to excel as we move forward to meet the opportunities ahead!

-- CAMERON GEIGER

WINTER UPDATE FROM DM MANAGEMENT

reetings from New Hampshire! Typically I would say it is a winter wonderland by now but we only received our first real snow yesterday. Traffic has slowed to a crawl and all of the Floridians are making a dash for the border. Even deer hunting season is finally over so we can hike in the woods without fear of Massachusetts "hunters." I was always taught that bright colors kept you safe from hunters but those from Massachusetts believe the brighter the color the more points the buck has.

Down to business. November 30th marked the first day of full operations here in **DM Management's** new Distribution Center. We started small--only \$25,000 worth of merchandise was shipped. Despite the volume we went live with no real problems. A real triumph for the team. We went from crawl to walk to run within six hours. Day two went much better. With only two pickers, two stockers and four packers (and a few KSAers in reserve) we were able to ship over \$100,000 worth of merchandise. Even the client was amazed at what could be accomplished with so few associates. We're at run-in stage of the project, with much left to be done. We hope to build on the success of the last two weeks and continue with no major problems. Now, if only we could get all this snow to move onto the ski slopes we would be ready for the weekend. Maybe next week we can start ice fishing!

--K.B. MARSHALL

VENDOR VITTLES

TILT TRAY SORTER REFERENCE GUIDE

he Tilt Tray Sorter Reference Guide has been completed! It is a stand-alone document that any KSAer can use to become more familiar with tilt tray technology and design. Several KSAers have already used it and found it helpful, especially in the design phase of a project. The guide will be added to our body of knowledge and is available electronically. In addition, hard copies will be on file with each of our Logistics Analysts. Special thanks to Amy Burns for putting it all together and for the client-related input from: Torre Crupie, Iris Chang, Randy Unger, Todd Soller, Scott Sangrey and Chris Mazzei.

-- CAMERON GEIGER

NOTES...NEWS...NONSENSE:

SANTA CLAUS: AN ENGINEER'S PERSPECTIVE

(Publisher's Note: Parental Consent Required—Extreme Violence and Graphic Language)

here are approximately two billion children (persons under 18) in the world. However, since Santa does not visit children of Muslim, Hindu, Jewish, or Buddhist religions, this reduces the workload for Christmas night to 15% of the total, or 378 million (according to the Population Reference Bureau). At an average (census) rate of 3.5 children per household, that comes to 108 million homes, presuming that there is at least one good child in each.

Santa has about 31 hours of Christmas to work with, thanks to the different time zones and the rotation of the earth, assuming he travels east to west (which seems logical). This works out to 967.7 visits per second. This is to say that for each Christian household with a good child, Santa has 1/1000th of a second to park the sleigh, hop out, jump down the chimney, fill the stockings, distribute the remaining presents under the tree, eat whatever snacks have been left for him, get back up the chimney, jump into the sleigh, and get on to the next house. Assuming that each of these 108 million stops is evenly distributed around the earth (which, of course, we know to be false, but will accept for the purposes of our calculations), we are now talking about 0.78 miles per household; a total trip of 75.5 million miles, not counting bathroom stops or breaks. This means Santa's sleigh is moving at 650 miles per second, 3,000 times the speed of sound. For purposes of comparison, the fastest man-made vehicle, the Ulysses space probe, moves at a poky 27.4 miles per second, and a conventional reindeer can run (at best) 15 miles per hour.

The payload of the sleigh adds another interesting element. Assuming that each child gets nothing more than a medium sized Lego set (two pounds), the sleigh is carrying over 500,000 tons, not counting Santa himself. On land, a conventional reindeer can pull no more than 300 pounds. Even granting a "flying" reindeer could pull ten times the normal amount, the job can't be done with eight or even nine of them. Santa would need 360,000 of them. This increases the payload, not counting the weight of the sleigh, another 54,000 tons. 600,000 tons traveling at 650

miles per second creates enormous air resistance. This would heat up the reindeer in the same fashion as a spacecraft reentering the earth's atmosphere. The lead pair of reindeer would absorb 14.3 quintillion joules of energy per second each. In short, they would bust into flames almost instantaneously, exposing the reindeer behind them and creating deafening sonic booms in their wake. The entire reindeer team would be vaporized within 4.26 thousandths of a second, or right about the time Santa reached the fifth house on his trip.

Not that it matters, however, since Santa, as a result of accelerating from a dead stop to 650 miles per second in .001 seconds, would be subjected to centrifugal forces of 17,500 g's. A 250 pound Santa (which seems ludicrously slim) would be pinned to the back of the sleigh by 4,315,015 pounds of force, instantly crushing his bones and organs, and reducing him to a quivering blob of pink goo.

Therefore, if Santa did exist, he's dead now.

--MARK MESSINGER

ENGINEERS' PHRASES -- TRANSLATED INTO PLAIN ENGLISH

- A NUMBER OF DIFFERENT APPROACHES ARE BEING TRIED— We are still clueless.
- EXTENSIVE REPORT IS BEING PREPARED ON A FRESH APPROACH TO THE PROBLEM- We just hired three kids fresh out of college.
- CLOSE PROJECT COORDINATION--We know whom to blame.
- MAJOR TECHNOLOGICAL BREAKTHROUGH--It works only so so, but looks very hi-tech.
- 5. CUSTOMER SATISFACTION IS DELIVERED ASSURED—We are so far behind schedule the customer is happy just to get it delivered.
- 6. PRELIMINARY OPERATIONAL TESTS WERE INCONCLUSIVE— The darn thing blew up when we threw the switch.
- 7. TEST RESULTS WERE EXTREMELY GRATIFYING--We are so surprised that the stupid thing works.
- 8. THE ENTIRE CONCEPT WILL HAVE TO BE ABANDONED—The only person who understood the thing quit.
- 9. IT IS IN THE PROCESS—
 It is so wrapped up in red tape that the situation is about hopeless.

10. WE WILL LOOK INTO IT--

Forget it! We have enough problems for now.

11. PLEASE NOTE AND INITIAL--

Let's spread the responsibility for the screw up.

12. GIVE US THE BENEFIT OF YOUR THINKING--

We'll listen to what you have to say as long as it doesn't interfere with what we've already done.

13. GIVE US YOUR INTERPRETATION--

I can't wait to hear this bull!

14. SEE ME OR LET'S DISCUSS--

Come into my office, I'm lonely.

15. ALL NEW--

Parts not interchangeable with the previous design.

16. RUGGED--

Too darn heavy to lift!

17. LIGHTWEIGHT--

Lighter than RUGGED.

18. YEARS OF DEVELOPMENT--

One finally worked.

19. ENERGY SAVING--

Achieved when the power switch is off.

20. LOW MAINTENANCE--

Impossible to fix if broken.

--IRIS CHANG

LOGISTICS FOOTBALL LEAGUE SUPERBOWL

hroughout the fall, many KSAers have participated in a fantasy football league that involves choosing professional football players and tracking their performances. Each KSAer's team, composed of players from different NFL teams, compares its performance each week to the teams of other KSAer's, with points assigned for touchdowns and yardage.

This weekend is the Superbowl of the Logistics Football League (LFL), featuring a matchup between the League's Commissioner, Enrique Morales, and last year's champion, Matt Maddox. Enrique's team, the Demonic Leprechauns, will face Maddox's squad, the Battlin' Benchwarmers, for the prized Riepenhoff Trophy.

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And that's the abridged version (that means the short version Maddox)"

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TALES FROM THE OHIO CHRISTMAS PARTY

n Tuesday December 1st there was a force in the air. A force so powerful that it caused select individuals (we will use names to make fun of the innocent) to gravitate towards a chosen spot. Was this fate, an anomaly of the socio-political order, the raw attraction of free food and beer? Close. What brought us all together that night is a force more powerful than any other is. The "CENTRIOD". Without the "CENTROID" a lot of us probably wouldn't be here, and many more of us wouldn't know that here existed. Blame the interstate highway system, blame UPS or blame all retail and catalog companies in general, the fact of the matter is that when you toss up a whole lot of relocating logistics consultants it's not surprising that most of them land in Ohio (although a few try their hardest to bounce as close to New York as possible). And when the Holidays come 'round they observe Uncle Kurt's core'est of values, to "Have Fun".

The Ohio Holiday Party was held at "Jillians" (similar to Dave&Busters) in the trendy Short-North area of Columbus. Principals, managers and consultants (and a spouse or two) traveled from far and wide to attend. Thanks Todd Soller and Randy Unger for coming in all the way from Parkersburg (Parkers-"Vegas" WV). The members of the Columbus office would also like to thank the members of the newly formed Cincinnati office (you know who you are) for making good use of I-71. It was also a treat to see all the "fly-ins" who attended, adding that needed touch of maturity to the event.

While in the thanking mode--thanks to Arshad Ashraf and Val Levy for proving that East Coast fashion <u>can</u> infiltrate the Midwest. Pretty soon the whole world will be wearing black.

Other Notes and Quotes from the party:

- Tim Copland lives up to his car's license tag ("DRV HRD 2") and WILL beat anyone in a simulation driving game. (The deciding race was won driving a golf cart)!
- Ken Acosta could leave all this time studying stuff behind and make a career out of downhill skiing, at least according to SEGA.
- Heard near the nostalgia corner of the video games room:
 - Principal: "I remember buying this game for my kid on ATARI."
 - Manager: "I remember playing this as a kid on ATARI."
 - Relocator: "What's an ATARI?"
- After losing to Dorron Margalit in a close game of 8-Ball Pool, Mike Swift owes Dorron the title of "Principal for a Day."
- Diallo Tyson as "Dirt Dawg"? (The full story is still unknown).

Thanks again to those who attended. We were all reminded of what makes **KSA** the special and unique company that it is.

-- DORRON MARGALIT

ALL WE WANT FOR CHRISTMAS IS... BY WEST COAST LOGISTICS

- 1.) eToys Logistics Strategy Project.
 - Proposal submitted on 12/7. Project duration: 14 months. Location: Santa Monica, CA, and TBD location for new facility. Senior support: AADeMaria
 - Visit their website (<u>www.etoys.com</u>) for help in choosing that perfect elusive toy without fighting those Toys R Us crowd. Two key differentiators (from amazon.com and other competitors): eToys shows if product is not immediately available and provides personalized to/from labels and wrapping.
 - Maybe you have seen the Visa/eToys commercial"Twas the night before Christmas and all through the house, not a creature was stirring, well maybe a mouse." (as in computer mouse of someone shopping the Internet)
- 2.) adidas Strategy Survey
 - Proposal submitted on 12/4. Project duration: 6 weeks. Location: Portland, OR. Senior Support: AADeMaria
 - We'll be working with adidas to perform surveys, interviews, and brainstorming sessions with key customers to determine the best Logistical strategy for adidas.
- 3.) Disney Regional Entertainment Logistics Strategy
 - Proposal submitted on 12/7. Project duration: 2 weeks. Location: Burbank, CA. Senior Support: JTChampion, AADeMaria
 - Disney is aggressively pursuing three different concepts ESPN Zone (regional sporting paraphernalia), Club Disney (themed-party headquarters), and DisneyQuest (interactive experiences) and needs help determining how they will distribute product to these new facilities.
- P.S.—Santa, and a lot of follow-on proposals for all the above.
- --Brad Humphries, Jeff DeRuiter, and Priscilla Jorgensen

VENDOR VITTLES

PRIMAVERA BRINGS ORDER TO EVERYDAY PROJECTS

If you are undertaking a large project (e.g., adding a new plant or building an underground interstate highway through a major city, project management software provides a great tool to keep track of the resources and costs for a complex series of tasks. Project management software for this purpose is widely available and ranges from simple, inexpensive products such as Microsoft Project to top-of-the-line applications from Primavera Systems or Artemis. For most corporate managers, who are usually running many concurrent projects, this type of project management application is overkill, not to mention too time consuming. Already a leader in high-end project management, Primavera has decided to tackle the everyday corporate projects with a new product called Project Portfolio Management. This product is designed to track and provide role-based reporting on projects with a minimal amount of data collection or plan maintenance.

The idea for Project Portfolio Management comes from a very real, yet under served function of most middle- and all upper-level managers, which is the management of multiple projects. These are projects that are typically not someone's full-time job and might include things such as an initiative to improve inventory turns, add a new sales office, or improve a business process. Project Portfolio Management is aimed at the part of the manager's job that probably consumes most of his/her time such as attending meetings, coordinating resources, and monitoring the progress of many small projects. Project Portfolio Management uses a configurable, Web-based briefing book to keep managers updated on project progress and allows various projects to be rolled up and aggregated for upper management.

Although Primavera presents Project Portfolio Management as a streamlined project management tool, this product best fits into one the fastest growing, yet loosely defined areas of enterprise applications-Strategic Enterprise Management (SEM). When you net it all out, most senior managers are interested in two things: the status of current operations and the progress of projects aimed at making future performance better. Thus far, enterprise applications, including the early wave of SEM applications from companies such as SAP, PeopleSoft, and Lawson, have been aimed at the former. This would seem to leave enormous potential for the latter.

Can Primavera tap into this market? The company is most likely to have it first successes selling into its existing client base-companies that already use its flagship project management tool P3. Beyond this base, Primavera makes a good partner for enterprise applications vendors serious about SEM. On its own, the company may have trouble getting its share of attention amidst the noise created by the enterprise applications market leaders.

--CAMERON GEIGER

3PL CANCELLATIONS INCREASE

ccording to a study by Mercer Management Consulting, 43% of North American Fortune 500 manufacturers cancelled at least one third-party provider this year, versus 37% last year. Common reasons cited by the 3PLs:

- Client failure to share sensitive data with the 3PL
- Client failure to closely monitor 3PL activities
- Unrealistic client expectations

Kip Hawley, CEO of Skyway Freight, noted a client pattern of satisfaction with 3PL results in the first year - reduced inventories, improved efficiencies, etc - followed by a "what's next" attitude. Many clients that cancelled agreements did so in the second year of an agreement.

-- TOM CLEMENT

NOTES...NEWS...NONSENSE:

THE ROAD WARRIOR

lone and lost, yet his path seems guided.
Embellished in pleasantries, yet knows no luxuries.
The road can mean pain, yet the pain means life.
He never tries to be, yet always is, The Road Warrior.

Tattered and torn, yet compelled to do more. Fostered by simplicity, in a world of complexity. The road can mean time, yet the time can mean life. He never tries to be, yet always is, the Road Warrior.

Admired and praised, yet sometimes humbled. Known by many, understood by few. The road can mean solitude, yet solitude life. He never ties to be, yet always is, the Road Warrior.

--RAJ B. KUMAR

ANSWERS TO LAST WEEK'S QUICK RIDDLES

- 1. Holes
- 2. Nine
- 3. White: the house is build directly on the North Pole
- 4. Mount Everest
- 5. No, because he's dead

- 6. She lives in the Southern Hemisphere, where the seasons are reversed
- 7. Penguins are native to Anarctica
- 8. Only one—the "last" one
- 9. Moses wasn't on the ark

- 10. Once. After the first calculation, you will be subtracting 5 from 20, then 5 from 15, and so on
- 11. There is no direct in a hole
- 12. The match
- 13. A secret
- 14. Darkness

- 15. A hole
- 16. Footsteps
- 17. A coffin
- 18. They read the same right side up, and upside down
- 19. Gloves
- 20. Because he is still alive

GREAT TRUTHS ABOUT LIFE THAT ADULTS HAVE LEARNED

aising teenagers is like nailing JELLO to a tree.

There is always a lot to be thankful for if you take time to look for it. For example, I am sitting here thinking how nice it is that wrinkles don't hurt.

One reason to smile is that every seven minutes of every day, someone in an aerobics class pulls a hamstring.

The best way to keep kids at home is to make the home a pleasant atmosphere... and let the air out of their tires.

Carsickness is the feeling you get when the monthly car payment is due

Families are like fudge .. mostly sweet with a few nuts.

Today's mighty oak is just yesterday's nut that held its ground.

Laughing helps. It's like jogging on the inside.

Middle age is when you choose your cereal for the fiber, not the toy.

My mind not only wanders, sometimes it leaves completely.

One day I shall burst my buds of calm and blossom into hysteria.

If you can remain calm, you just don't have all the facts.

Eat a live toad first thing in the morning, and nothing worse can happen to you for the rest of the day.

You know you're getting old when you stoop to tie your shoes and wonder what else you can do while you're down there.

--PAM BECKERMAN

THE NAVY SINKS UNDER ARMY PRESSURE 34 – 30!

The Cadets aggressively rallied from an 11-point fourth-quarter deficit to claim their victory.

On hand to support the teams were Shawn Olds, Mark Messinger, Al Sambar and Enrique Morales. While Enrique and Mark would not definitively side with either team, Shawn and Al chose to support their respective Alma Maters. Unfortunately for Al, his team came in second place.

Navy came on the field strong in the first quarter. Army quickly replaced its fumbling



Pictured left to right: Shawn Olds, Mark Messinger, Al Sambar, and Enrique Morales

quarterback, Cadet Johny Goff, with sophomore Joe Gerena who led the offense to two scores on their next two possessions, giving them a 13–10 lead.

Navy answered with three touchdowns, two of which were passing touchdowns by Navy sophomore quarterback, Brian Broadwater. With only inches to go, Navy fumbled the ball in its own endzone and Army recovered and returned for a touchdown. Army then forced another turnover which allowed Cadet senior fullback Ty Amey to scramble 70 yards for

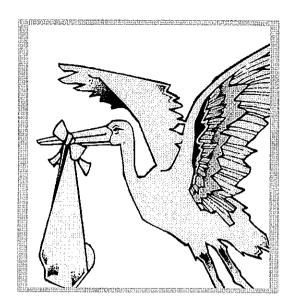
the go-ahead touchdown which put Army up for good 31-30. With less than two minutes, after driving 58 yards in 11 plays, Army opted to settle for a 26-yard field goal by Army senior kicker Eric Olsen to put the Cadets up by four.

As I am sure, many of your heard, near tragedy struck during the game when a railing collapsed, causing fans to fall approximately 10 feet to the turf below. Eight of the nine injured fans were released later in the day; the most seriously injured was released Sunday in good spirits, telling reporters simply "GO ARMY beat navy!"

--SHAWN OLDS

CONGRATULATIONS!

We are very pleased to announce that Poornima Kaddi and her husband, Senthil Angamuthu, had a baby boy, Shreyas, on November 25. He weighed in at 8 lbs. and is 21". Mother and baby are doing great!



the HOTSHEET

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QUOTE OF THE WEEK:

Leanne Smullen

DARE

" THOSE OF US WHO DARE TO BE DIFFERENT FIND NO COMPASSION FROM THE ORDINARY.

THOSE OF US WHO DARE TO STRIVE FOR THE BEST FIND NO COMPASSION FROM THE AVERAGE.

THOSE OF US WHO DARE TO SEEK A BETTER LIFE FIND NO COMPASSION FROM THE CONTENT.

THOSE OF US WHO DARE, ARE OFTEN ALONE."

--RAJ B. KUMAR



PROJECT POSTCARDS:

RECRUITING UPDATE

s of Thanksgiving, we have essentially completed 1st and 2nd round Logistics recruiting on campuses. We are also getting off to a strong start with 3rd round candidates visiting offices. We have extended 10 offers to candidates, and are currently scheduling project site visits for these students. The few that are December graduates will be making their decisions shortly; the remainder will be deciding their career choices in the winter. We have about 15 dates in December set aside for 3rd round candidates (in Atlanta and Princeton combined).

We have also hired a Logistics intern, Mike Boyle from Virginia Tech, who will begin his internship in January.

Thanks to everyone who has assisted with pre-recruiting and 1st or 2nd round interviews! Thanks in advance to everyone that will be contributing to 3rd round office days, site visits, and post-offer follow-up. It's a very competitive job market, and we have a lot of recruiting yet to go!

--RANDY MOORE

VENDOR VITTLES

THE AMR RESEARCH ALERT ON SUPPLY CHAIN MANAGEMENT (NOVEMBER 9, 1998)
MCHUGH SPINS OFF FROM PINNACLE

ate last month, in a long-anticipated move, McHugh Software International announced that Advent International, a private equity firm, and GE Capital had purchased a significant minority equity position in McHugh worth an estimated \$50M. As a result of the investment, McHugh has been spun off from Pinnacle Automation.

As we see it, the development is significant in two respects. First, it gives McHugh a debt-free balance sheet and some cash-financial leverage it needs in the competitive, high-stakes Supply Chain Execution (SCE) space. We anticipate this leverage will be directed at expanding McHugh's global presence, particularly in Asia Pacific and Europe, beefing up McHugh's U.S. sales and marketing effort, and fueling R&D in its three product lines-WMS, TMS, and Labor Management. Product development will focus on evolving McHugh's Logistics Execution System and building a next generation, component-based WMS product on NT.

The second significant point is that the spin-off means Pinnacle Automation failed in exploiting potential synergies between McHugh's WMS business and its three automated material handling businesses (pick-to-light, conveyor and palletizing, and ASR systems). It was exactly that potential, which led Pinnacle to acquire McHugh, then McHugh Freeman, several years ago. It's the same synergy that has been driving another automated material handling vendor, HK Systems, into the WMS business. If Pinnacle failed, can HK Systems succeed? The answer lies in how HK Systems executes its strategy. From our vantage point, when comparing HK Systems and Pinnacle from the world of MES, we see one key difference and one similarity. The difference being, HK Systems' hardware and services business are all healthy and profitable, with a dominating market share. While recent developments in MES suggest the advantage there goes to the large controls hardware vendors now offering integrated solutions. As the Pinnacle experience suggests, however, success is the exception not the rule in exploiting hardware-software synergies.

For McHugh, the spin-off can only be positive. It relieves the burden of having to give away its software and services in order to sell a sister company's hardware-a boon to a company that is refocusing its R&D efforts away from projects to a broader set of standard products. It should also allow senior management to focus on target markets, key customer segments, and strategic alliances. This should direct all of McHugh's energies on the SCE market. Even with the Pinnacle distractions last quarter, McHugh racked up 18 transactions, a company-best, two-thirds in new accounts and a good number in the middle market (fruits of its recent focus on ROI-Rapid On-time Implementation). The deals were split almost evenly among its WMS, TMS, and Labor Management lines of business. The fourth quarter pipeline looks strong, especially in TMS. Our review of McHugh's deals suggests that after years of indifference, the European market for all three of its product lines are taking off. Manufacturers there are running hard after high energy and labor costs, as well as European economic unification, demanded SCE efficiency and responsiveness.

What's the bottom line? McHugh is in its strongest position in years. The timing could not be better, the competition tougher, and the stakes higher. We believe 1999 will be the year that will test McHugh's meddle. We like its chances.

--CAMERON GEIGER

NOTES...NEWS...NONSENSE:

QUICK RIDDLES

(Answers will be posted in next week's Hotsheet.)

- 1. A barrel of water weighs 20 pounds. What must you add to it to make it weigh 12 pounds?
- 2. A farmer had seventeen sheep, all but nine died, how many did he have left?
- 3. A man builds a house with all four sides facing south. A bear walks past the house. What color is the bear?
- 4. Before Mount Everest was discovered, what was the highest mountain on Earth?
- 5. Can a man legally marry his widow's sister in the state of California?
- 6. Clara Clatter was born on December 27th, yet her birthday is always in the summer. How is this possible?
- 7. Even if they are starving, natives living in the Arctic will never eat a penguin's egg. Why not?
- 8. Forward I am heavy, but backward I am not. What am I?
- 9. How many bricks does it take to complete a building made of brick?
- 10. How many of each animal did Moses take on the ark?
- 11. How many times can you subtract the number 5 from 25?
- 12. How much dirt is in a hole 4 feet deep and 2 feet wide?
- 13. If you are in a dark room with a candle, a woodstove, a match and a gas lamp which do you light first?
- 14. If you have it, you want to share it. If you share it, you don't have it. What is it?
- 15. The more you have of it, the less you see. What is it?
- 16. The more you take, the more you leave behind. What are they?
- 17. The one who makes it, sells it. The one who buys it, never uses it. The one that uses it never knows that he's using it. What is it?
- 18. What do the numbers 11, 69, and 88 all have in common?
- 19. What do you fill with empty hands?
- 20. Why can't a man living in Winston-Salem, NC be buried west of the Mississippi?

WARNING: THESE LABELS CAN CAUSE UNCONTROLLABLE LAUGHTER...

ON HAIR DRYER INSTRUCTIONS:

* Do not use while sleeping.

ON A BLOW DRYER:

* Do not use while showering or bathing

ON BACK OF A BAG OF FRITOS® CORN CHIPS:

* You could be a winner! No purchase necessary. Details inside.

ON PACKAGE FOR BAR OF DIAL® SOAP:

* Directions: Use like regular soap.

ON FROZEN DINNER PACKAGE:

* Serving suggestion: Defrost.

ON A HOTEL-PROVIDED SHOWER CAP IN A BOX:

* Product fits one head.

ON FROZEN TIRIMISU DESSERT:

* Do not turn upside down. (Printed on the bottom of the box.)

ON BOX OF BREAD PUDDING:

* Product will be hot after heating

ON PACKAGING FOR AN ELECTRIC IRON:

* Do not iron clothes on body

ON CHILDREN'S COUGH MEDICINE:

--LAURIE DANIELLE

* Do not drive car or operate machinery

ON NYTOL® (A SLEEP AID):

* Warning: may cause drowsiness

ON A KITCHEN KNIFE MADE IN KOREA:

* WARNING! Keep out of children

ON A STRING OF CHRISTMAS LIGHTS MADE IN CHINA:

* For indoor or outdoor use only.

ON A JAPANESE FOOD PROCESSOR:

* Not to be used for the other use

ON JAR OF PEANUTS:

* Warning: contains nuts

ON AN AMERICAN AIRLINES PACKET OF NUTS:

* Instructions: open packet, eat nuts.

And finally...

ON SIDE OF CHAINSAW:

* Do not attempt to stop chain with your hands.

LEADERSHIP: IDEAS OFFERED BY WARREN BENNIS

few weeks ago I attended a seminar, sponsored by Georgia Tech, featuring leadership guru, Warren Bennis. Bennis, who wrote the classic, *On Becoming a Leader*, was full of wit and wisdom. He commented on the state of business in America ("If you are not confused, you don't know what is going on!") and then described the traits of successful leaders.

Bennis remarked that an organization's competitive edge hinges on the capacity of leaders to create and unleash intellectual capital. A true leader has character, requires people to grow, allocates resources, and circulates ideas; he or she keeps reminding people what is important.

A professor at the University of Southern California (USC), Bennis observes that effective leaders provide the following:

Purpose - direction, passion, perspective, meaning, goals and objectives

Authenticity - trust, caring, reliability, and consistency

Hardiness - optimism, energy, the expectation of future success

Courageous action - a bias to action, willingness to take risks, creativity, confidence

When asked how one becomes a leader, Bennis recommends finding good mentors and learning from them as well as knowing and leveraging your personal strengths and learning from your experiences. He suggests cultivating the above traits, one at a time, to expand your leadership capacity.

--PAM BECKERMAN

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QUOTE OF THE WEEK:

"WHY AM I THANKFUL?
I LIVE IN A FREE SOCIETY,
I LIVE IN THE MOST VIBRANT, SURGING, INTERESTING AND EXCITING TIME IN THE
HISTORY OF THE WORLD
I HAVE GOOD HEALTH."

--ANONYMOUS



HAPPY THANKSGIVING

PROJECT POSTCARDS:



FIRST REPORT FROM THE FEDERATED DC

o clue everyone in on where the winds of KSA have blown us... Brad Jenkins and Brenda Steele have just begun working on a Base Plus® project for a Federated Big Ticket (furniture) DC in New Jersey. There's lots of room for improvement, so we'll have a full plate during the next nine months.

Brad was quite anxious about the move, as he was leaving his homeland (Texas) and this was his first move north of the Mason-Dixon Line. His initial impression: "It's cold." Looking on the bright side, he now has a greater appreciation for the heater in his new car. Brenda was excited about the prospect of moving down from New Hampshire, where the temperature was rapidly

plummeting. The excitement was crushed when she learned that - yes, the DC is farther south than NH - but the DC is also *unheated*. Unbelievable, we thought, who the !@#\$ puts an unheated DC in New England? We're still in a state of shock... And neither one understands the New Jersey oddity on the road system known as a "jug handle". Whatever happened to a simple left turn?

As we become familiar with the DC and the operations, the associates have already assigned a team nickname – '90210', starring: Brenda, Brandon, and our client engineer Steve. Brenda and Steve are getting up to speed on time-studying, and hoping to kick-off the first department around mid-December!

--BRENDA STEELE

GEEK OF THE WEEK

GEEK OF THE WEEK: RICH DEC



This week's award goes to Rich Dec for being so concerned about leaving for the Thanksgiving holidays that he "put out the word" that the *Hotsheet* should be extremely limited with its graphics (i.e. no techno-turkeys), so he can download it quickly and hit the road. Okay Rich...here's the short version of the *Hotsheet* and your Geek of the Week Award.

-ANONYMOUS SOURCE

IN THE SPOTLIGHT



IRIS CHANG



Professional Information

- 1. **Area(s) of Specialization w/in KSA** Not set in stone, but I would like to focus more on understanding, implementing, and integrating systems.
- Other Skills/Professional Accomplishments Work Experience Prior to KSA Manufacturing Engineer
- Current Client- Kmart

4. List of Major Client Assignments – Kmart, DDM, UniFirst

Personal Information

- 1. Place of Birth New York, NY
- 2. Married, Kids Nope and nope
- 3. Schools Attended: Tech (GA Tech. There is no other.)
- 4. **Hobbies:** Reading, spending time with family and friends, tutoring, and playing piano (when I have the opportunity).
- 5. Astrological Sign: Cancer
- 6. Most Interesting Client Assignment & Why: While every project has been interesting, the Kmart project has been the most distinctive. Working on a project that integrates multiple KSA service groups challenges me to think and see KSA, the client, and the issues behind the project from multiple and broader perspectives.
- 7. Worst Client Assignment & Why: Every client assignment has been wonderful so far!!
- 8. **Most Interesting Place Visited** Juarez, Mexico The differences between the have and have nots are dramatic there; it challenges the way you think about human motivations.
- 9. Favorite Quote: (One of)

Pure is the one who does not seek wealth and power.

Purer is the one who is given wealth and power but is uncorrupted.

High is the one who does not know how to play games.

Higher is the one who knows the games but refuses to play them.

- -- Chinese Proverb
- 10. **Biggest Regret:** No big regrets.
- 11. **Most Unusual or Funniest Experience:** Too embarrassed to tell.
- 12. **If you could live anywhere, where would it be?** The Northwest or the Southwest
- 13. Frequent Flier Miles? Hmmm.... 1,2,...

- 14. Favorite Movie? When Harry Met Sally
- 15. **First Album (CD) Purchased?** I don't remember the first album purchased, but the first tape I ever had was "We are the World," given to me as a birthday present. I don't remember if I ever listened to it.
- 16. **Tattoos (optional)** Won't tell...
- 17. **Any Other Information** (i.e. that says something about who you are that you wouldn't mind sharing with the group.): So, does this count as a Hotsheet entry?

NOTES...NEWS...NONSENSE:

TOP TEN THINGS YOU SHOULDN'T SAY AT A CONSULTING INTERVIEW

- 1. I'm a T-shirt and jeans kind of person.
- 2. Do you pay overtime?
- 3. I hate flying.
- 4. I'm useless without ten hours of sleep a night.
- 5. There are lies, darn lies, and statistics.
- 6. Do you cover rental cars for collision?
- 7. Stanford taught me that working in teams is great for slackers.
- 8. I think three letter acronyms are for people too stupid to remember whole phrases.
- 9. Two words: family first.
- 10. Call it what you want, it still means firing people.

--LAURIE DANIELLE

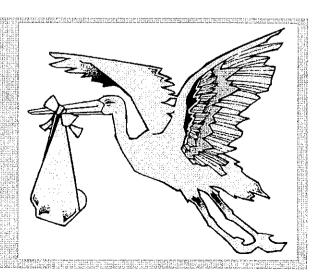


Bob Smith

12/2/96

CONGRATULATIONS!

Raj and Margaret Kumar had a baby boy on Friday, November 20, 1998. His name is Thomas Prendergast Kumar. He weighs 8 Lbs. 5 oz. Baby, Mom, and Dad are doing fine.



Page 4

the HOTSHEET

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QUOTE OF THE WEEK:

"TO LIVE WELL: WORK LIKE A DOG. EAT LIKE A HORSE. THINK LIKE A FOX AND PLAY LIKE A KITTEN."

--GEORGE ALLEN

PROJECT POSTCARDS:



CONGRATULATIONS, NIKE TEAM!

ongratulations to the entire project team at **Nike** for an excellent startup to date. Nike reached 100,000 units shipped in a single day in just the second week of operation! This is especially encouraging since they will need to reach 350,000 units per day by January.

-- TORRE CRUPIE

TRAINING HIGHLIGHTS FROM THE HOME DEPOT

In June 1998, The Home Depot asked us to help implement an eight month Continuous Operations Improvement (COI) process. The project was designed to form associate and management WorkOut Groups in order to identify and solve opportunities within The Home Depot Savannah IDC. At the end of three months, The Home Depot decided that they wanted their managers to lead and facilitate the process without KSA's assistance. At that time, four Home Depot area managers in two operations had worked through the first cycle of the COI process.

In order to introduce all of the managers to the COI process, including skill sets that they would use during the process, Home Depot asked us to conduct the training portion of the project and to change the original training schedule of one topic per week (an hour per topic) to a two session (four hour per session) training program.

A key to this training was to manage the expectations of Home Depot management. While the training would introduce managers to the process, they were not expected to be proficient in the skill sets.

On October 3rd and 10th, KSA held two 4-hour training sessions to kick off the start of the Continuous Operations Improvement (COI) Process. The training was designed to introduce area managers to the COI process and give them a conceptual toolbox/skill set that they would use during the process. The specific training topics were:

Session 1: COI Process Introduction

Overview

Steps of the COI Process

Panel discussion with Area Managers who had been through the process

Facilitation Skills

Brainstorming Rules and Techniques

Team Building

Session 2: Performance Cycle (Relating to associate WorkOut Groups)

Methods and Procedures Improvements

Follow Up/Feedback Skills Rewards & Recognition

The keys to making these training sessions successful were a lot of candy/prize giveaways, manager participation and interaction, and trainer enthusiasm. Some examples include:

- In the beginning of the session, we asked managers how they wanted to take 20 minutes of breaks. (i.e. 2-10 minute breaks or 4-5 minute breaks)
- The managers decided what a person should do if he/she returned from break late.
- We tried to not have more than 30 minutes of lecture without some type of manager participation.
- Whenever a manager answered a question, we handed out candy.
- We included grand prizes for the bigger games.

The documentation for these training sessions will be in the CPI BOK. Please give one of us a call for further details – and let us know how it helps!!!

--MELISA OLSON AND RALPH WEAR

FAREWELL TO MEGAN DEBONE

egan DeBone has decided to leave KSA and will be departing over the next couple of weeks. She has chosen to move back to her Pittsburgh home to be closer to her family and friends. Megan will be seeking employment opportunities in Pittsburgh once she moves back. KSA appreciates Megan's contribution at Blockbuster Entertainment over the past several months and we wish her well in the years ahead.

--RANDY MOORE

KMART - THIRD TIER MODEL

uring the course of the project with Kmart the Third Tier team has developed a cost/benefit model to identify merchandise to move to a "Third Tier" distribution network. "Third Tier" is a distribution strategy in which the store backroom is the "First Tier", the local DC is the "Second Tier", and the regional DC is the "Third Tier".

The model was developed in MS Access® and calculates estimated savings or cost at the SKU level based on several inputs by comparing Kmart's current 14 DC scenario with the Third Tier 4 DC scenario.

The model evaluates individual SKU's in five main areas:

- Transportation Cost (from vendor to store)
- Handling Cost
- Inventory Carrying Cost
- Inventory Storage Space Cost
- Purchase Order Administration Cost

The transportation section compares weighted average cost of shipping on the inbound and outbound transportation legs by evaluating the shipping cost based on cube/weight of the item from a generic regional vendor through to the store.

The handling section compares weighted average cost per unit processing costs by evaluating the processing cost of an item based on number of units in a pick/case and cube of the item for cross-docking.

The inventory carrying cost section and inventory storage space section compare cost based on inventory levels by reducing the current inventory level taking into consideration a reduction factor calculated from the KSA inventory model, which varies with vendor lead time.

The purchase order administration section compares changes in the number of purchase orders by taking a straight reduction from 14 to 4 DC's for domestic orders based on the current number of PO's.

If you would like more information or a copy of this model, please contact me.

--FRANK LEGGIO

A Message from the Cornerstone Crew

reetings from Cincinnati! Now that we've gotten settled, the group here at **Cornerstone** thought we'd take a minute from our implementation schedule and our cinnamon-chili lunches (a Cincy favorite) to introduce ourselves.

It all began in September of 1997 when KSA performed a planning project for Cornerstone that would lead into strategy development, detailed design, and finally the current implementation. The answer: a 970K + square foot facility that will house six of Cornerstone's catalog companies. The timeline: move-in beginning in April, shipping beginning in July.

Ken Walker leads the operations implementation team. The team includes Dan Stonaker, who has been kicked out of nice establishments for trying to sell them all Palm Pilots, and asserts that "there is nothing more exciting than a good filing system." His wife, Meri, and two sons (Nicholas and Robert) vehemently agree. Scott Vanags joined the operations team after his time study initiation at the Bon Ton, and can be found swapping "to do lists" with Dan and Ken Walker via infrared. Valerie Levy joined the project team with the sole purpose of proving that another person could fit in the 96 square-foot office space. She does not own a Palm Pilot and is reminded of this fact by Dan approximately 12 times a day.

Meanwhile, our KSA systems team began WMS selection in March 1998, which was followed by detailed design, and finally, the current implementation phase. Included in that team is Bruce Seeber, Georgia Tech grad and self-proclaimed Mel Gibson look-alike. Bruce is teamed with Richard Bacak, who began working with KSA in June of 1998. When Richard isn't busy with his wife and two sons in Atlanta, he can be found reminiscing about Texas-style chili. Doug Way can also be spotted in Cincy, as well as logistics transplant and "Maine-er" wannabe Jeannette Townsend, whose declared mission is to "teach the systems folks a thing or two about box kicking."

Also working with Cornerstone on Activity Based Costing are Todd Barr and Todd Mitchell, or "Todd Squared." Jack Horst performed a cameo appearance, gearing Cornerstone up for the big move with some MOC training, and Matt Maddox kicked off the vendor compliance program creation as well as participated in area layout design. Ike Myers provides us with our layouts (which double as lovely wallpaper for our office). Chris Merritt and Dan Purefoy are resources for outbound transportation strategy issues. Other Cornerstone contributors include Ralph Wear, who helps with material handling equipment design, Tom Clement, who provides his wisdom in vendor compliance, and Butch Price, the "designated hitter" for organizational development issues.

Quite a team for quite a project! Keep your eyes open for further updates and adventures. --VALERIE LEVY

VENDOR VITTLES

USA Today (19 November, 1998) FEDEX CHAIRMAN BLASTS PILOTS

EMPHIS, Tenn. - Federal Express' chairman told company pilots their strike threats already have hurt FedEx and warned they could lose their jobs. Chairman and founder Fred Smith also rescinded the company's latest contract offer in an angry e-mail sent to the 3,500 pilots Wednesday night.

Leaders of the FedEx Pilots Association said Smith's e-mail will not make the union back away from its demands for greater job security, control over work rules and a pay raise.

The company and the union have been haggling over a contract since July. Negotiations broke off Oct. 30 and last week pilots began refusing to work overtime.

Representatives from the union and FedEx met with the National Mediation Board in Washington this week, but no new negotiations were scheduled.

The union has mailed strike authorization ballots to its members and if two-thirds of the pilots approve, union leaders may call for a walkout. The ballots are expected to be counted Dec. 3. FedEx says it has contingency plans to keep shipments moving during a strike that include a greater reliance on the company's ground transportation fleet and contract airplanes and crews. Smith said the labor unrest has hurt the company.

Smith also said the vast majority of FedEx's 140,000 employees back the company over pilots. Meantime, *The Commercial Appeal* reported FedEx is finalizing agreements with contract carriers to take over all of the company's international flights, as well as operations throughout Europe and the Middle East. Those routes have traditionally been operated by FedEx planes and pilots. FedEx officials declined to confirm such action late Wednesday.

Memphis-based Federal Express, owned by FDX, is the world's largest air cargo delivery company with 326 cargo jets. The pilots are the only members of the company's domestic work force represented by a union.

--BRAD HUMPHRIES

GEEK(S) OF THE WEEK

GEEK OF THE WEEK: TODD SOLLER

Tew Consultant Tip of the Month: When sending drawing sets for review by a project manager and a principal, be sure to include page numbers on all pages. This procedure is helpful during a conference call discussing the drawings. Now, don't forget to number a set for **yourself**, as this could lead to a potentially embarrassing situation. If you need any case studies or examples for this tip, please contact Todd Soller.

--BRAD HUMPHRIES, TONY DEMARIA, AND RANDY UNGER.

GEEK OF THE WEEK: FRANK LEGGIO

ast Saturday, Enrique Morales, my son Auston and I attended the bone-crushing (and egocrushing) 27-0 defeat of the (over-rated) Penn State Nittany Lions by the University of Michigan Wolverines in Ann Arbor (sorry, Denise, I couldn't help myself). As we walked up State St. after the game to shop for a tradition block "M" cap for Enrique (now a closet Wolverine fan along with Dan Purefoy), his cellular phone rings. Thinking it must be some kind of emergency, Enrique answers to find out it's Frank.

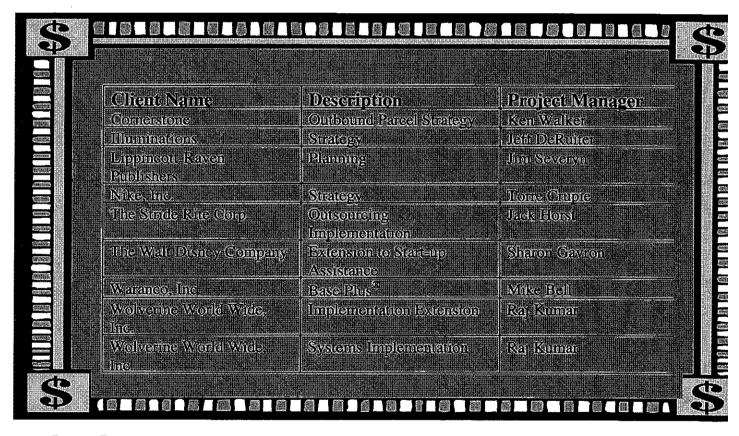
What could be so important? Frank wanted to let us know that there must be a problem with the server in Atlanta because he was having trouble with email! Frank, there is more to life than email and the internet. It's called the "real" world. It has trees and people and fresh air and...

P.S. As an aside, Frank was invited to join us and visit one of college football's greatest venues but declined. Oh, the addiction of email!

--TROY VANWORMER

RECENT SALES

Below is a list of Period 10 sales for the Logistics Department. If you have a sale that is not listed or you find that there are variances in any of the information, please contact Laura Legg as soon as possible. Congratulations to everyone who participated in each of these Sales!



--LAURA LEGG

NOTES...NEWS...NONSENSE:

14 WAYS TO KNOW YOU HAVE BEEN IN CORPORATE AMERICA TOO LONG

- 1. You ask the waiter what the restaurant's core competencies are.
- 2. You decide to re-org your family into a team-based organization.
- 3. You refer to dating as test marketing.

- 4. You can spell paradigm.
- 5. You actually know what a paradigm is.
- 6. You understand your airline's fare structure.
- 7. You write executive summaries on your love notes.
- 8. Your Valentine's Day cards have bullet points.
- 9. You think its possible to write a 10-page presentation with six other people you don't know.
- 10. You celebrate your wedding anniversary by conducting a performance review.
- 11. You believe you never have any problems, just issues and improvement opportunities.
- 12. You tell your banker you are highly leveraged rather than in debt.
- 13. You end arguments by saying, "Let's talk about this off-line."
- 14. You give constructive feedback to your dog.

--PAM BECKERMAN

LOGISTICS FOOTBALL LEAGUE (LFL) POWER RATINGS

and you thought John Madden knew football..... The Logistics Football League is well into its second season, with 40 teams competing for personal pride and, more importantly, the joys of taunting fellow team owners. As the season enters the last two weeks of regular season competition, the Commissioner's office would like to recognize some of the season's best (and worst) performers. Stay tuned for the playoff results and end of season awards......

The Best (or Luckiest)

Team NameTeam OwnerYahtzeeVic BhargavaRogue WarriorsScott SangreyThe TigersMike BellBattlin' Benchwarmers Matt MaddoxWoo Poo UsBarry Ehlers

The Worst (or Most Challenged)

Team Name	Team Owner
Team Perez	Eddie Perez
Broke Students	Matt Prevost
Team Deaton	Ashley Deaton
Raine of Terror	Joe Raines
The Golgi Apparatus	Chris Davis

--THE COMMISH (ENRIQUE MORALES)

HAPPY BIRTHDAY

Mohan Komanduri 11/23

As of 11/19/1998

the HOTSHEET

vol. 7 no. 61

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November 6, 1998

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Deanne Smullen

QUOTE OF THE WEEK:

"THE DIFFERENCE BETWEEN FICTION AND REALITY? FICTION HAS TO MAKE SENSE."

- TOM CLANCY

PROJECT POSTCARDS:



PROGRESS REPORT FROM NIKE

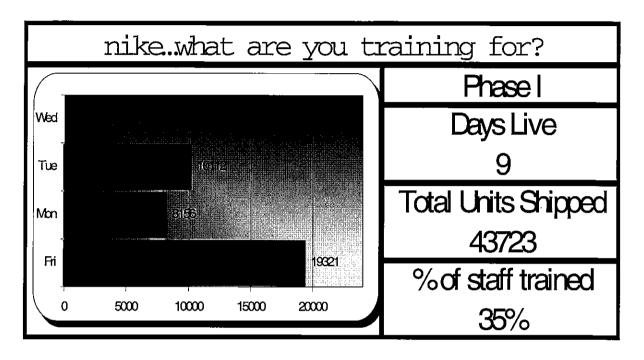
n Tuesday, 10/20, we went live with DCMS at the Nike Memphis Apparel facility. Through 10/26 we've shipped 34,000 units, at a pace of roughly 10,000 per day. As of last week we ran the pool of converted orders dry, so we reverted back to testing & training mode for the rest of this implementation phase. Our next phase is currently scheduled to begin November 9th.

The first week has been quite successful, and optimism reigns from the project team in Memphis through senior sponsors in Beaverton. This optimism should of course be tempered by the fact that between now and January we'll ramp up to 350,000 units shipped per day, and will exercise an additional 50% of DCMS and MHE. System and MHE issues thus far have been minimal and have had no effect on our ability to process orders.

Our success thus far can be fully attributed to the tremendous work of the KSA/Manhattan/Nike team. That includes the invaluable contributions of those team members who have moved on to other opportunities. In particular, Jan and David's work in Beaverton stand out (a tough gig, but somebody had to do it). Ultimately though, this update wouldn't be possible were it not for the leadership of Britt Dayton. The project has continued on its successful course due to his preparation and team building skills.

The transition of DCMS to Manhattan Associates has had no noticeable adverse effect on the success of this project. While some of the business cards have changed, we've continued to deliver the same quality results as before. From Nike's perspective, the transition has been flawless.

We'll continue to update you as we proceed through implementation.



--BOB ROGE

MICKEY LIVES!

reetings from The Disney Store Facility Implementation project in Memphis, TN. It has been a long time since our last update and a lot has been happening at Disney's new facility (Memphis is just so much fun that I lose all track of time). I will try to bring you up to speed on the last 8 months. The facility opened its doors in February of this year and for the first few months, the KSA team of Sharon Gavron, Steve Knapik, and Chris Mazzei provided on-the-floor support. We helped answer questions, researched the root cause of issues, worked with vendors on solutions, implemented new processes, retrained cast members (employees in Disney language), and helped manage the change process of such a huge endeavor. As the urgent issues lessened we realized that we were still experiencing some WMS issues that we hadn't seen during any of the detailed testing performed prior to opening (proof again, that you can never test enough). Disney therefore decided to form a testing team to conduct another series of validation tests and asked KSA to lead this effort as well as assist in developing of all test planning. The goal of these tests was to isolate the cause of the remaining issues and gather the information required to develop solutions. Over the next few months, these tests were completed (often at odd hours to minimize the impact to operations - thank goodness for caffeine.) The testing team resolved the WMS issues one by one and successfully stabilized the system.

The project then took an unexpected turn when Disney lost its entire facility IT department. Disney again turned to KSA for assistance and Chris entered the role of Disney IT manager

(Chris pulled out his propeller hat, subscribed to YAHOO magazine, and went to work). Since August, Chris has been helping Disney manage their IT resources, writing functional requirements for further system enhancements, and working with Disney and the WMS provider to identify the functionality required for future releases. Recently Disney hired a new IT manager and Chris is happy to say that he will be putting his propeller hat to rest for the time being.

In the facility, Disney is currently in the middle of its peak season and the building is performing extremely well. Last peak season Disney needed five buildings and three shifts to support the business. This year, they have one building and only a minimal second shift. Needless to say the Disney folks are pleased. One manager who has worked for Disney for 10 years commented that he could not remember an easier peak season (music to my ears). Last week we received close to a Disney record 173,000 cartons in a single week while shipping over 2.4 million units to 470 stores. Since February, the facility has received over \$750 million and shipped over \$700 million (that's a lot of beanie babies)! Disney has once again asked for KSA's assistance to help support the operation during the first peak season in the new facility as well as identify opportunities for improvements in all areas. We will keep you updated on our progress. More to come from the land of Mickey!

--C J MAZZEI

GREETINGS FROM DM MANAGEMENT

when last we looked in upon our intrepid adventurers they were fast approaching the end of their journey to the great "GO LIVE." I am proud to announce that with much excitement and anxiety they scaled that peak (without supplemental oxygen) and are looking for their next challenge. Actually, the story is only half told. We have successfully started all inbound operations in **DM Management's** new facility in Tilton, NH. That includes processing ASNs, receiving merchandise, performing quality inspections, and putaway to active and reserve storage. DM Management is now operating out of four facilities until we can prove the new building is stable and will not jeopardize the peak season. In less than a month we will begin outbound operations including returns processing, picking, active replenishment, packing and shipping. Needless to say, that is where the rubber meets the road.

On a lighter side, we have continued our anthropology experiment. Recently we experienced "Leaf Peeper" season. For some reason people from all over the world come to this "neck of the woods" to watch the leaves turn brown and fall off the trees in my yard. My question is, "why don't you rake them while you are here?" I feel this is an untapped segment of the eco-tourism market that needs our attention. I'll throw in porcupine wrestling taught by my dogs for free. Thank goodness they haven't found a skunk yet!

--KB MARSHALL

CALYX & COROLLA UPDATE

here at Calyx & Corolla. We have quite a diverse KSA team on the project. The team consists of: Doug Way - CST, southerner (AO), on a constant tour of the US. Jeff DeRuiter - Logistics, west coaster (SFO), collector of wreathes. Edwin Lager - PEG-IT, left coaster (SFO), new student of flower names. With the diversity there are some similarities—for instance, the need for both ketchup and mustard with fries and an affinity for the "Blues Brothers" movie.

Calyx & Corolla is located in the beautiful city of San Francisco (this has some consultants wondering who Jeff and Edwin paid to get a local assignment). C&C is a direct marketer of flowers, plants, preserved designs, and associated items. They have retained KSA to help them with a package selection and implementation of a new Catalog Management System. They are different than most sources of flowers (e.g. your neighborhood florist or 1-800-FLOWERS) and many other companies for several reasons:

- All fresh product is drop shipped from the grower days after being cut
- Calyx & Corolla doesn't own any fresh inventory (about 80% of their business)
- ♦ Edwin can bike to work
- They guarantee a delivery date versus a shipment date

We have narrowed the field of CMS vendors down to two from the initial short list of eight. The two finalists are Smith, Gardner & Associates (MACS) and Page Digital (Advantage Plus). The process began back in August and we are ready to make a decision. And the winner is...

-- JEFF DERUITER

WORDS FROM THE WEST COAST

ello all from the **Store of Knowledge** (SOK) project team in Cerritos, CA (about 25 miles east of the L.A. airport and seven miles north of Disneyland).

We have been here for about seven weeks - working with SOK to sort out Brand Positioning (who is our customer? what are they looking for?) and Inventory Effectiveness (getting the right inventory in the right place at the right time and using exit strategies to get rid of non-selling merchandise) issues.

SOK is a small company and the project has provided us a great opportunity to see the relationships between planning, buying, allocation, distribution, and store operations up close and personal. We have about three weeks left and wanted to share a few interesting points:

• SOKs is similar in concept to the Nature Company, Discovery - Natural Wonders, and Zany Brainy. The product is primarily educational toys and media. Much of the product is PBS related. They have 67 stores throughout the US.

- They are currently experimenting with an airport store format in Denver (so all you United fans, go look at what they have to offer.)
- SOK has approximately 10,000 SKUs, 60% of which are *not* active, but are still contributing approximately 35% of revenues year-to-date. (We are still investigating) The SKU count is 60/40% (media/toy). However, 65% of revenues are from toy SKUs.
- The top 50% of all SKUs (active and inactive) account for 98% of revenues.
- Our six-person project team is all female and is pulled from SCS and Logistics DWSadd and PLin from SCS/ SFO; AYChen and PEJorgensen from LAO; MHenneman from NYO, and JKWatson from PO.

And, speaking of **Disneyland** (not quite a smooth transition, but it *was* mentioned above ...), **PEJorgensen** and **JTChampion** just started a design project with a former KSAer **Steve Dahl.** We expect to have other resources involved at various times throughout the project. We had a kick-off meeting on October 29 and saw the preview plans for the Disney California Adventure (DCA) park. The meeting only lasted through the morning, however, and **PEJorgensen** (being the ever-so-dedicated consultant ..ahem) took advantage of the free park entry to have some fun.... all in the name of research. Over the next few months, KSA will help Disneyland determine the best logistics solution for distributing merchandise throughout both parks. A few key concerns:

- The Anaheim labor market is currently tight and will grow even more so with several other attractions opening later this year and early next year.
- The current DC is land-locked. And, the rack in the DC is *very* old and damaged. The DC is also fairly full and is not capable of processing twice the current number of SKUs. Currently, all deliveries being staged at the DC for the next day's delivery are staged outside.
- Distribution within the park is a challenge as many of the back roads are narrow. The DC uses trams (like narrow airport luggage carts) to deliver merchandise every morning. The idea of moving at least part of the Distribution activities off-site (i.e,. more than 1/4 mile away) is new for Disneyland, but may be the only option.
- The DC is also implementing I3 in February. Could be a busy winter.

We will keep you updated!

--PRISCILLA JORGENSEN

INDUSTRY INSIGHTS

TRANSPORTATION—GENERAL RATE INCREASES

s clients budget transportation expenses for next year, note that several more carriers have issued notices of **general rate increases** (GRIs) effective on or before November 1. They include:

AAA Cooper Transportation	5.5%
American Freightways	5.5% to 5.9%
ANR Advance Transportation	5.0% to 5.9%
Central Freight Lines	5.9%
Consolidated Freightways	5.5%
USF Bestway	5.9%
USF Dugan	5.5% to 5.9%
USF Holland	5.5% to 5.9%
USF Reddaway	5.7%
USF Red Star	5.9%

In addition, minimum shipment charges increased for most of these carriers.

Note that the percentages quoted by the carriers are their estimation of overall impact to rates: the true effect to specific weight breaks and/or traffic lanes will be more or less than the percentage quoted. As a result, the impact to any specific shipper will depend on their shipment profile.

Also of note, both Roadway Express and Con-way Transportation Services have said they do not intend to initiate a GRI during the remainder of 1998.

-- TOM CLEMENT

RECENT REQUESTS

INFORMATION ON DC MAINTENANCE ORGANIZATION

Ranger at the Imports Distribution Center now, and need some help from the Logistics Posse to bring an errant maintenance organization to justice. I know that the maintenance arena may not be KSA's strongest area of knowledge, but I'm counting on the observation powers of the Posse to point me in the right direction. What I'm looking for is any knowledge on the organization/structure of maintenance departments (to include custodial and technical support) in distribution centers we've worked in. Specifically:

- Staffing by type of position (i.e. maintenance tech, electrician, electronics tech, custodian, maintenance clerk/ dispatcher, supervisors, etc.)
- Shift composition (production, preventative, routine, and emergency maintenance, etc.)
- Do the maintenance shifts parallel the production shifts?
- How does the DC schedule preventive maintenance?
- How does the DC staff to support preventive maintenance?
- What are the general characteristics of the DC (size, type of product, type of automation and assets, size of work force, and size of maintenance department)?
- Anything else you might find helpful or insightful.

The Home Depot has asked me to help its maintenance team become more organized and become more proactive and efficient. Its current manager has worked at this facility only and we need to see how comparable facilities work. We are looking for innovative and efficient systems that will help save money, reduce productivity downtime, and increase mechanical readiness and duration.

Any Logistics Posse member who can help will receive my undying gratitude and a silver KSA/The Home Depot bullet. Thank you pardners!

Hi-Ho Silver! Awaaaaaaayyyyyy

--J.D. DENSMORE

NOTES...NEWS...NONSENSE:

STARS

herlock Holmes and Dr. Watson went on a camping trip. As they lay down for the night, Holmes said:

"Watson, look up into the sky and tell me what you see."

Watson said "I see millions and millions of stars."

Holmes: "And what does that tell you?"

Watson: "Astronomically, it tells me that there are millions of galaxies and potentially billions of planets. Theologically, it tells me that God is great and that we are small and insignificant. Meteorologically, it tells me that we will have a beautiful day tomorrow. What does it tell you?"

Holmes: "Somebody stole our tent."

--CAMERON GEIGER

THE CHARACTERISTICS OF EFFECTIVE COACHES

oaching styles vary by individual and situation. A study of coaching, however, has shown there are some common attributes among good coaches. Effective coaches:

- * Base the coaching relationship on trust and not similarity
- * Are optimists about human nature
- * Meet people where they are
- * Give people opportunities to take risks and learn from their mistakes
- * Listen more than they talk

- * Are patient and willing to find a coachable moment
- * Speak candidly but dispense their message in the right dose
- * Culitvate personal accountability and ownership
- * Approach resistance and reluctance to change with curiousity
- * Know their own strengths and limitations
- * Are continuous learners
- * Leap tall buildings with a single bound (just kidding!)

Excerpted from Successful Manager's Handbook.

--PAM BECKERMAN

MARINE CORP. MARATHON

ast weekend Jack Horst and Matt Maddox, along with 18,000 other fanatics, ran the Marine Corps Marathon in Washington, D.C., on a hot and sunny October day. Earlier in the month, Brenda Steele ran the Chicago Marathon on yet another hot and sunny October day. The Marine Corps 26.2 mile course wound through the monuments in the nation's capital and culminated in a steep climb up to the Iwo Jima memorial in Arlington, Virginia. The Chicago course took the runners through all the major ethnic areas of the city, culminating in a steep climb up a Lake Shore Drive exit ramp. Jack and Matt were awarded medals for their performances and will proudly display their chafed nipples to anyone crazy enough to ask to see them. Brenda was also awarded a medal, but will not be displaying anything. It was the first marathon for all runners. Matt Maddox, whose brothers paced him, later commented, "Ouch." Reached for comment, Jack Horst mumbled, "D!@# Hanes Point," and then snatched an orange slice from the hand of a six-year-old. All three plan to run again next year and are looking for fellow KSAers to join them!

--BRENDA STEELE

HAPPY BIRTHDAY

Brad Jenkins 11/11

the HOTSHEET

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Leanne Smullen

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Logistics Services Grou

QUOTE OF THE WEEK:

"A DOCTOR CAN BURY HIS MISTAKES BUT AN ARCHITECT CAN ONLY ADVISE HIS CLIENTS TO PLANT VINES. "

- Frank Lloyd Wright (1868-1959)



HAPPY HALLOWEEN!

INDUSTRY INSIGHTS

YARDSTICKS WERC Sheet Newsletter (October 1998)

verstocks, shortages and damage (OSDs) are going to occur in every warehouse. But you can get ahead of the game by taking careful measurements of your OSD rates and then working to reduce them. Michael Wohlwend, alliance manager at Tompkins Systems Implementations, Chicago, offers these formulas for counting up your OSDs:

- Shortages—Divide your number of out of stock items by the number of SKUs you have in the same class. This is a good number to calculate on a weekly basis, says Wohlwend, as "you can't manage what you don't measure."
- Damage—Divide the total cost of damage by the total cost of the items received. For instance, if you have 20 items that are damaged, and you received 3,000, your damage rate amounts to .6%. Again, a number worth taking every week.

• Overstocks—By understanding your reorder point and comparing it to your economic order quantity (EOQ), you can assess whether or not you're ordering the right amount. Check your B, C, and D items twice a year, and you're a movers twice a month.

--LEANNE SMULLEN

RF OFFERS SMART WAY TO TRACK PALLETS

usinesses can track shipments within a facility or across the country with a new radio frequency (RF) pallet-tracking system.

The PalTrack SmartPallet-II RF transmitter from Sovereign Technologies provides real-time identification of products and personnel. The transmitters are affixed to assets and transmit identification codes at predefined time intervals to a network of transceivers. Sovereign has devised a way to implant the transmitters into the Long Life pallet from Moseley Industrail Wood Products. These "smart pallets" can be tracked electronically within a facility; when combined with the Global Positioning System (GPS); the pallets can be tracked across the country and into cooperative facilities.

The system works as a stand-alone tracking system within the PalTrack transceiver network and also can work with satellite and cellular communications for long-distance tracking. Sovereign is working with Logitrak, a commercially available system that provides users with real-time satellite data communications from a standard Internet dial-up connection. Logitrak delivers data transmissions between central and remote locations (such as drivers and dispatch) within seconds. A single flat-rate communications fee allows customers to communicate on an unlimited basis without additional charges.

--LEANNE SMULLEN

NOTES...NEWS...NONSENSE:

ALL I REALLY NEED TO KNOW I LEARNED FROM NOAH'S ARK

- 1. Plan ahead. It wasn't raining when Noah built the ark.
- 2. Stay fit. When you're 600 years old, someone might ask you to do something REALLY big.
- 3. Don't listen to critics -- do what has to be done.
- 4. Build on high ground.
- 5. For safety's sake, travel in pairs.
- 6. Two heads are better than one.
- 7. Speed isn't always an advantage. The cheetahs were on board, but so were the snails.

- 8. If you can't fight or flee -- float!
- 9. Take care of your animals as if they were the last ones on earth.
- 10. Don't forget that we're all in the same boat.
- 11. When the doo-doo gets really deep, don't sit there and complain --shovel!!!
- 12. Stay below deck during the storm.
- 13. Remember that amateurs built the ark and professionals built the Titanic.
- 14. If you have to start over, have a friend by your side.
- 15. Remember that the woodpeckers INSIDE are often a bigger threat than the storm outside.
- 16. Don't miss the boat.
- 17. No matter how bleak it looks, there's always a rainbow on the other side.
- 18. "Stop what'ya doing, and do what God says!"
- --PAM BECKERMAN

"WORDS OF WISDOM AT THE HALF CENTURY MARK" BY DAVE BARRY (FROM HIS FORTHCOMING BOOK, "DAVE BARRY TURNS 50")

(Continued from the 10/23/1998 edition of the Hotsheet.)

- 13. There apparently exists, somewhere in Los Angeles, a computer that generates concepts for television sitcoms. When TV executives need a new concept, they turn on this computer; after sorting through millions of possible plot premises, it spits out "THREE QUIRKY BUT ATTRACTIVE PEOPLE LIVING IN AN APARTMENT", and the executives turn this concept into a show. The next time they need an idea, the computer spits out "SIX QUIRKY BUT ATTRACTIVE PEOPLE LIVING IN AN APARTMENT". Then the next time, it spits out "FOUR QUIRKY BUT ATTRACTIVE PEOPLE LIVING IN AN APARTMENT". And so on. We need to locate this computer and destroy it with hammers.
- 14. Nobody is normal.
- 15. At least once per year, some group of scientists will become very excited and announce:

- The universe is even bigger than they thought!
- There are even more subatomic particles than they thought!
- Whatever they announced last year about global warming is wrong.
- 16. If you had to identify, in one word, the reason why the human race has not achieved, and never will achieve, its full potential, that word would be meetings."
- 17. The main accomplishment of almost all organized protests is to annoy people who are not in them.
- 18. The value of advertising is that it tells you the exact opposite of what the advertiser actually thinks. For example:
 - If Coke and Pepsi spend billions of dollars to convince you that there are significant differences between these two products, both companies realize that Pepsi and Coke are virtually identical.
 - If the advertisement strongly suggests that Nike shoes enable athletes to perform amazing feats, Nike wants you to disregard the fact that shoe brand is unrelated to athletic ability.
 - If Budweiser runs an elaborate advertising campaign stressing the critical importance of a beer's "born-on" date, Budweiser knows this factor has virtually nothing to do with how good a beer tastes.
 - On those rare occasions when advertising dares to poke fun at the product as in the
 classic Volkswagen Beetle campaign it's because the advertiser actually thinks the
 product is pretty good. If a politician ever ran for president under a slogan such as
 "Harlan Frubert:Basically, He Wants Attention", I would quit my job to work for his
 campaign.
- 19. If there really is a God who created the entire universe with all of its glories, and He decides to deliver a message to humanity, He will not use, as His messenger, a person on cable TV with a bad hairstyle.
- 20. You should not confuse your career with your life.
- 21. A person who is nice to you, but rude to the waiter, is not a nice person.
- 22. No matter what happens, somebody will find a way to take it too seriously.
- 23. When trouble arises and things look bad, there is always one individual who perceives a solution and is willing to take command. Very often, that individual is crazy.
- 24. Your friends love you anyway.

25. Nobody cares if you can't dance well. Just get up and dance.

--LEANNE SMULLEN

HAPPY BIRTHDAY

Nicole Jones 11/4



Matt Maddox 11/4/96 Chris Paddock 11/4/96 Dan Purefoy 11/4/96 Torre Crupie 11/4/79

the HOTSHEET

vol. 7 no. 59

Editor:

October 23, 1998

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Leanne Smullen

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QUOTE OF THE WEEK:

"Obstacles are those frightful things you see when you take your eyes off your goal."

- HENRY FORD (1863-1947)



PROJECT POSTCARDS:

YET ANOTHER ARTICLE FROM NIKE (But this time we are LIVE!!!)

gain last week there were comments that this weekly publication was a little lengthy and some people had trouble getting through the entire article. Well, again this week we have included something special just for those people. Here it is: This week and this week only (In honor of our Go-Live date), we have included information on how to receive FREE NIKE STUFF!!! Somewhere embedded in this article you will find this information, but hurry because this offer is only valid while supplies last. With all that said and done, sit back, relax, and enjoy as we bring week four of our five part series. This week:

BLUE SUEDE SHOES...MHE/DESIGN

The original box kickers on this project were Tony DeMaria, Torre Crupie, and Mohan Komanduri, so as you can imagine those are some pretty big shoes to fill, yet some excellent footsteps to follow. One of the biggest challenges faced was to keep the existing product flow while building, testing, and staffing a whole new system. To that end, Nike dedicated three experienced industrial engineers and a maintenance staff of approximately 40 mechanics. Add to that more than 70 installers from various equipment vendors and contractors, and you can easily see the dedication of resources that have made the material-handling portion of the project a success.

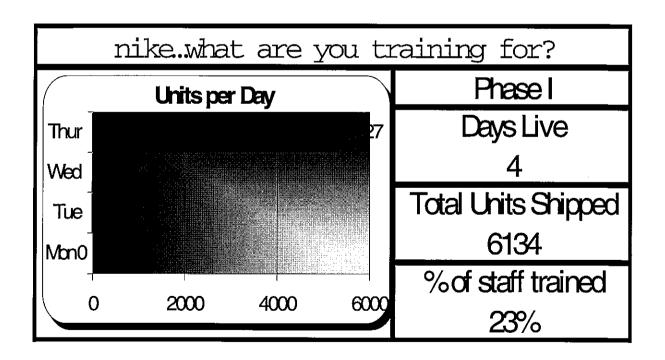
The overriding mandate for the mechanical design is to support the "Million Unit Day." That means a million units received, processed, and shipped, all in a 24-hour period! To meet that

goal, we have added approximately seven miles of conveyor, two tilt tray sorters, and a myriad of other features to make everything happen in the right place at the right time. For a KSAer, this facility provides an amazing opportunity to work with five different types of lift trucks, pallet flow and static rack, carton flow and static rack, tilt tray sortation, sliding shoe sortation, four separate and distinct "real time" control systems, and the latest in workstation design.

As we move boldly into production, many of the material handling portions of the project have already been handed over to the existing operation with a minimum of headaches. Our pride and joy, the processing system (including a work-in-process buffer and 287 processing workstations) will go-live on November 2nd. The receiving system, which is the last major piece of the puzzle, will go live in March. This system will include a carton "sizer" curtain and a control system that calculates pallet-building schemes to optimize storage capacity.

If anyone is interested in the supporting documentation (bid specs, design docs, test plans) or the design/actual criteria, you can contact Cameron Geiger (He will provide this **Nike information free** of charge to qualifying KSAers, but only while supplies last).

We hope you enjoyed this weeks Team TCB contribution, and anyone interested in that free information can contact Cameron. As was stated earlier, we are currently live, and have included a 'Nike scoreboard' for your enjoyment. This information is current as of Thursday, October 22 at 12:00 PM.



Top issues this week:

1. Inventory is mislabeled

Lesson learned: Sometimes hiring a large amount of temporary help is not the best way to get things done right!

2. Bob Roge won't quit doing Elvis impressions during long meetings Lesson learned: Keep all meetings to less than an hour.

--STEVE OSBURN

THE STAR REPORT

owdy from Blockbuster Entertainment in McKinney, Texas! Since you last heard from us we have started the BasePlus® program and have already put two departments on standard. The program has been kicked off with much energy and excitement. The building kick-off on October 2 carried a sports theme, and the highlight of the event was the introduction of the "Blockbuster Belles" – Male Blockbuster Operations Managers dressed in triple D cup cheerleader uniforms and wigs (we had every hair color and style represented – Lady Godiva, Marilyn Monroe, Red a la Melisa Olson's Home Depot wig, etc.). There were four kick-offs held to accommodate all shifts, and the first kick-off began auspiciously at 5 am under a large tent outside the DC with a catered hot breakfast and many fabulous raffle prizes including tickets to see a Dallas Cowboys game in November.

Then came the torrential downpour! One of the engineers pointed out that we had chosen a prime spot for our tent because we were on the side of the building where all the water flows off the roof of the DC. For every inch of rain that falls on the Blockbuster roof, 1.25 million gallons of water flow off the side of the building. Needless to say, by the end of the second kick-off, we had water to our ankles. We moved the next two kick-offs indoors, and at the final kick-off the power went out in the DC. Luckily, the KSAers left just in time after the last kick-off because right after we left, everyone in the building had to sit along the main firewall for a couple hours due to reported tornadoes in the area.

During the two weeks following the building kick-off, managers, supervisors, and associates were encouraged to submit entries to the "Name the Incentive Program" contest. Not only would there be excellent prizes for the top three entries, but also each entry submitted entitled a contestant to three chances to dunk a manager/supervisor in a dunking booth at the Name the Incentive Program Party. We received a record 185 entries! After the DC voted, we announced on October 14th that the winning incentive program name is, "STAR – Share Teamwork And Rewards." First prize was a paid day off to watch a brand new 27" TV and VCR. Second place won a TV, and third place won a Nintendo Playstation. Quite a few people were dunked as well, including KSA's own Chris Dowd. When an associate failed all three tries to dunk him, Jana Hughes ran up, hit the target, and down Chris went!

Two departments at Blockbuster already have been successfully placed on standard. Document Control has 40 associates who performed at 75% their first week on standard. New Store Processing's 70 associates performed at an impressive 93% and 87% (first and second shifts

respectively) their first week on standard. We are currently working in Receiving and New Release Processing Departments, and are looking forward to a successful kick-off in these departments as well!

--ELISABETH GOLDSTEIN

INDUSTRY INSIGHTS

Consulting Firms Get An Unexpected Taste of Their Own Medicine WALL STREET JOURNAL (TUESDAY, OCTOBER 20, 1998)

ere is a paradigm shift that consultants never say coming: Their own industry has hit an air pocket.

For years, consulting has been one of the nation's hottest growth industries. Particularly in the 1990s, armies of high-priced and often fresh-faced experts have marched across the corporate landscape, re-engineering, thinking outside the box, and preaching knowledge imperatives.

They have helped turn around many companies, and they can claim a slice of the credit for remaking American business into the dominant global force it has been in this decade. So potent have consultants become that consulting has begun to look like the ultimate recession-proof business: In good times or bad, companies will pay for high-concept advice.

That theory suddenly is showing a few cracks. Faced with troubled global markets, Merrill Lynch & Co. last week said it would lay off 900 outside consultants, part of a broader cut that also included 3,400 of its own employees. PaineWebber Group Inc., another big Wall Street securities firm, recently reduced its use of outside consultants by more than 60%, to about 100. At Minnesota, Mining & Manufacturing Co., the heads of 40 business units were recently told to limit their use of consultants.

"There is no question things are softening," says Mel Bergstein, chairman and chief executive officer of Diamond Technology Partners, a Chicago management consulting firm. But many consultants "are in denial, because the malaise has come on us very quickly. It is a bit of a thunderbolt, and I don't believe anybody saw this coming."

That the trend-spotters may have missed one so close to home isn't lamented in some quarters. The consulting boom has left a lot of ill will in its wake. Many managers have come to resent newly minted MBAs with six-figure salaries telling them how to do work they have been doing for decades. Others have been re-engineered into hard times by consultant-formulated restructuring. Around many water coolers cross the country, there is delight that consultants may be getting taken down a peg.

"My immediate reaction when a consultant calls is: 'Why do we need you?' says Alan Shugart, a pioneer of the disk-drive industry who was recently ousted as chief executive of Seagate Technology Inc. (which, he observes, may qualify him to be a consultant since many are just "out of work" executives). The average consultant "costs too much and doesn't do that much," Mr. Shugart says. Tom Rodenhauser, a former editor of industry newsletter "Consultants News," says many executives are "gleeful" about consultants being axed.

The slowdown isn't hitting all consultants evenly, and hasn't yet triggered many layoffs at the consulting firms themselves. Rajat Gupta, Managing partner at consulting powerhouse McKinsey & Co., says, "many of our clients need us even more now" that the economy is wobbling. Big firms McKinsey, Andersen Consulting and Booz-Allen & Hamilton Inc. say they are continuing to hire and expect increased revenues. Indeed, the industry's expansion has been so stupendous in recent years that a dip probably would still leave most firms with growth rates their clients would envy. Revenues at the top 50 management-consulting firms grew at an average annual rate of almost 21% over the past three years.

--LEANNE SMULLEN

NOTES...NEWS...NONSENSE:

"WORDS OF WISDOM AT THE HALF CENTURY MARK" BY DAVE BARRY (FROM HIS FORTHCOMING BOOK, "DAVE BARRY TURNS 50")

- 1. The badness of a movie is directly proportional to the number of helicopters in it.
- 2. You will never find anybody who can give you a clear and compelling reason why we observe "Daylight Saving Time".
- 3. People who feel the need to tell you that they have an excellent sense of humor are telling you that they have no sense of humor.
- 4. The most valuable function performed by the federal government is entertainment.
- 5. You should never say anything to a woman that even remotely suggests you think she's pregnant unless you can see an actual baby emerging from her at that moment.
- 6. A penny saved is worthless.
- 7. They can hold all the peace talks they want, but there will never be peace in the Middle East. Billions of years from now, when Earth is hurtling toward the Sun and there is nothing left alive on the planet except a few microorganisms, the microorganisms living in the Middle East will be bitter enemies.
- 8. The most powerful force in the universe is gossip.

- 9. The one thing that unites all human beings, regardless of age, gender, religion, economic status, or ethnic background, is that, deep down inside, we all believe that we are above-average drivers.
- 10. There comes a time when you should stop expecting other people to make a big deal about your birthday. That time is age 11.
- 11. There is a very fine line between "hobby" and "mental illness".
- 12. People who want to share their religious views with you almost never want you to share yours with them.

--LEANNE SMULLEN

HAPPY BIRTHDAY

Ashraf Eisa	10/23
Randy Unger	10/27
Laurie Daniele	10/27
Chris Port	10/28
Amy Burns	10/28
Aaron Todd	10/29

Boston, Massachusetts "grinder": sub or hoagie "Wouster": Worcester "Peebuddy": Peabody "tonic": soda or pop "frappe": milkshake "I'm kinda sorta fixin' to": I may get to it eventually "Down Yonder": Down the road "husses": horses some undetermined distance -- Bob Smith Augusta, Georgia --Walt Hollis "forgetaboutit": don't everything is okay "Charlotte "Truway": New York "samrich": sandwich State Throughway New York worry about it or -- Bob Smith Someone (or something) moves, acts, or happens "quicker than a chicken "Warshed": expanded "Them thar": used to Southern word for Tennessee -- John Champion on a June bug." describe 'those' washed sayings From Home

Reminded of a saying from your hometown that you miss hearing? Heard a new phrase during your travels that made you think you had traveled to a foreign land? Send your "Sayings from Home" to Amy Burns by 11/19.

the HOTSHEE!

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Publisher: Amy Burns

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Editor: Leanne Smullen

QUOTE OF THE WEEK:

"NOT EVERYTHING THAT CAN BE COUNTED COUNTS, AND NOT EVERYTHING THAT COUL CAN BE COUNTED. "

- ALBERT EINSTEIN (1879-1955)

PROJECT POSTCARDS:

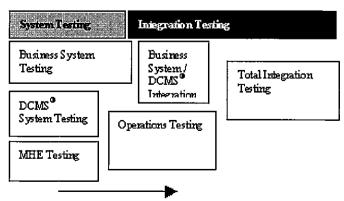


NIKE--67 HOURS UNTIL STARTUP (MAYBE)

ello, and welcome to Team TCB's weekly information session. Last week we received some feedback that our articles are informative, but that they were a little too long. So, in order to appeal to our readers with short attention spans we have included two options that might appeal to you. First of all, you will notice a picture at the beginning of the article. As with all graphics, this one gives you a lot of information without a lot of reading. If you find yourself getting tired or bored while reading this article simply skip down to the funny section of the Hotsheet and begin reading there. Don't worry, there will not be a test, I repeat THERE WILL NOT BE A TEST. With that said and done, we hope you enjoy this week's segment:

Jailhouse Rock.....Systems Testing

The testing approach at Nike was modeled around the traditional 'building block' approach, where individual components were tested and verified before being integrated. As shown below, the testing really occurred in two major phases, a system testing phase and an integration-testing phase.



In the system testing phase, which began in January, several teams simultaneously attacked various components of the equipment and systems, including the Business System, the WMS (DCMS®), and the MHE (control system and hardware).

Throughout the month of July, most of the equipment and system components received their 'blessing'. As components were passed, they were connected and tested as an integrated system. When the testing schedule for the business system slipped, the rest of the components (WMS, MHE, RF, procedures) were integrated and tested. By proceeding without the business system, the team was able to maintain their testing momentum and focus on issues 'within the four walls'. By August, when the business system was integrated with the rest of the system, many of the integration issues had already been resolved.

To assist with the integration testing effort, Nike committed over 30 full-time managers and employees from Operations - some dedicated full-time to the testing effort for over three months! Because of this commitment, it was possible to conduct the 'user acceptance' testing phase in parallel with the integration testing phase (instead of after), essentially shortening the testing period by weeks. The early involvement of the users also proved to be an outstanding training opportunity. One warning...by exposing the users to a system that had not passed its integration test, we had to be very careful about managing their expectations and maintaining their enthusiasm during the inevitable down-time of testing.

Top 10 lessons learned by going through this process at Nike:

- 1. A strong commitment of client resources (especially from operations) is extremely beneficial to the integration testing process.
- 2. KSA-We're not just consultants, we make darn good referees too.
- 3. We discovered a few effective methods for compressing the testing schedule without reducing testing effectiveness:
 - * Have separate teams simultaneously test components during the system-testing phase.
 - * Be flexible to change plans and proceed with a 'partial integration' if some components fall behind schedule.
 - * With a strong commitment of client resources, it is possible to combine the user acceptance and integration testing phases.
- 4. Never tell Aaron Todd to 'just be creative' unless you like men in drag.
- 5. The KSA methodology is based on a lot of experience deviations should be carefully considered:
 - * Due to resource constraints and schedule pressures, the integrated volume test was not conducted. During an 'ad hoc' volume test that was conducted in the 11th hour for training purposes, several major system issues were discovered and fixed. We got lucky!
 - * Due to difficulties balancing the inventory in the test environments, the inventory integrity of the systems almost went unverified prior to startup! After much cajoling and brainstorming, the systems were balanced. Less than a week later a crucial 'hole' was found in the inventory transactions. It was fixed two days before the go-live decision.
- 6. If your Star quarterback gets injured in fantasy football it makes your team look a lot worse than it actually is (maybe this is the wrong list for this lesson, but please just let me vent).

- 7. During testing, don't lose sight of the fact that it is testing!!! If product doesn't get out the door you won't lose ANY customers, therefore workarounds aren't necessarily a good idea.
- 8. Black Holes do exist in Memphis (and DCMS); we just don't know how cases get there or how to get them out.
- 9. One of the most important elements of testing is tracking results:
 - * If you don't know how many scripts are complete, or how many units are shipped, then no one will believe that you have been testing.
 - * If you don't document all the problems when they are found, they have a tendency to disappear until the week before start up.
- 10. Since the logistics conference, after a long day of testing Bob Roge starts to resemble Elvis in his later years...even when he's not in the costume!!!

For those of you still with us, congratulations you've made it half way through your Nike training course. If you continue reading this update for the next two weeks you could be a big asset to us during start up. We are going to be a little thin on KSA support for the 11PM-7AM shift, and your knowledge and expertise of Nike Memphis Retrofit just might qualify you for this prestigious position.

--TEAM TCB

WITH SPECIAL THANKS TO SCOTT VIFQUAIN (THE SMART STUFF), AND STEVEN OSBURN (THE OTHER STUFF)

DFS UPDATE—According to the Wizard

n case our incredible acting at the Logistics Conference blurred our message, here's a summary of the lessons we've learned at DFS.

Our Scarecrow was the reactive management style that exists at these giant facilities.

- You have found with Dorothy's help that the answer to equipment not working is not to throw bodies at it. Develop and coach the Supervisors to be successful, just as you want the Supervisors to coach Associates. Insist on an open, problem-solving way of doing business versus a reactive fire-fighting methodology that prevents the Supervisor from giving 1-v-1 attention to the Associates.
- A large organization may need a "Base-Plus College" to inform everyone about the program details from the start. With some areas not going on-standard for months it is essential to get the facts out so the sponsorship and commitment can start to build in these areas.
- A weekly newsletter or regular forum for Q&A Continue to solicit and answer all of the Associates' questions forthrightly without pulling any punches. This point is especially critical if the change involves a cultural shift.

Our Tin Man was the older facility and the culture of entitlement.

- The change of culture from one of entitlement to one of merit is one of the most difficult transformations to implement. Managing change classes and tools are critical to educate the management as well as the engineering team in anticipating and responding to reactions to the change.
- Continue to ensure that sponsorship exists at all levels and deal quickly with black holes. Make sure that supervisors continue to do follow-up once the engineering team is out of their area and make sure that supervisors are meeting regularly to share tips and tricks for their successes at improving performances and managing their areas with Base-Plus.
- Remember those that have been put on-standard. Even though the areas is off to it's typical
 good start, the associates that have been on for months need programs such as a nonmonetary recognition to keep the emphasis on achieving 100%--not just the minimum
 performance.

Our Lioness was missing courage that a facility needs to manage change.

- First of all, work to build company resilience.
 - Stay Proactive. Develop a system to schedule and plan your IT and Maintenance resources to support the project accordingly. Make sure there is a mechanism to enforce due dates etc.
 - Stay Organized Keep all of the project demands and issues organized and visible with a mechanism to track these opportunities whether or not they are in the scope of your Base-Plus project
 - Be Positive. Don't let the client falter when faced with resistance.
 - Maintain your focus. Make sure the client is dedicating the right amount of resources to Base-Plus and do not let other projects take away support. Recognize that they have other important issues and concerns, but do not let them set up the Base-Plus for failure through a lack of adequate support.
 - Sponsorship Make sure visible and loud commitment is given to the project and enforce that meeting and training attendance. Make sure that all management recognizes the cost of poor utilization of the engineering effort to their company.

Dorothy, our relocator also has a list to remember.

- Never stop following-up with the client and make sure they don't fall back on old habits.
- Work normal hours.
- Have fun!!
- --CHRIS PADDOCK

MEMOS FROM THE TRAINING CLASS

or two weeks in October, the Logistics training class learned a lot about the consulting business from some of the most knowledgeable people in KSA. We visited client sites and completed mini-projects. And, oh yeah, we had a pretty good time along the way! Here's the dirt:

- Outfitted in shiny clubwear, Dorron Margalit and Arshad 'T-Bone' Ashraf went to every techno club in Manhattan in a strange attempt to emulate their idols, the stars of A Night at the Roxbury. According to early reports, there were no serious dance-related injuries, although several onlookers suffered eyestrain from the reflections off Dorron's shirt.
- Barry Ehlers proved that he is half kangaroo in the sack race at the Princeton Office picnic, where he nearly lapped me.
- Shawn Olds proved his dedication to the firm by working late on his mini project during
 week one of training. Unfortunately, he nearly had to camp out under his desk when he
 realized he needed a card to leave the building at that hour. Luckily, a sleepy Arshad
 answered his phone and came to the rescue.
- Dorron received a lesson in safe driving from Jack Horst while following him down I-295 at
 the posted speed limit. Dorron is accustomed to driving at much higher speeds and became
 visibly upset when the two were passed by a school bus. Apparently the lesson wasn't well
 learned, because Dorron later crashed the Princeton Office Buick just hours before training
 ended.
- Joe Raines racked up an incredible five touchdowns at the annual PO football game, outscoring all others. Unfortunately, the fast life of a football superstar took its toll when Joe slept through the Franklin Mint trip.
- Chris Rettig found out why 'The City of Brotherly Love' is also called 'The City that Loves
 You Back' when she had her laptop stolen from a parked car. An unfortunate event, but one
 we can all learn from: If you want to trade up from your old Compaq Armada, park your car
 in downtown Philly!
- Dorron Margalit's top 100 places to live:
 - 1.) Columbus, OH
 - 2.) Owensboro, KY
 - 3) Anywhere in Arkansas......
 - 97) Miami, FL
 - 98) San Francisco, CA
 - 99) Los Angeles, CA
 - 100) New York, NY.

Randy and Torre take note: Keep this 'country boy' in the Midwest, he loves it.

- In the beginning, there was celestial navigation, then the compass was invented, followed by the development of GPS. Now, Joe Raines brings us a new method from the Florida swamps. According to sources in the US Army, Joe can determine magnetic North simply by sniffing a squirrel's backside. This talent proved useful when trying to locate a vendor's office in northern New Jersey.
- Shawn Olds and Matt "Mathematics" Maddox cashed in on their military credentials to buy a
 large quantity of 'refreshments' at the local PX for a party in New York. Later that night and
 all the next day, Mark Messinger suffered the consequences of their shopping spree. He
 maintains that he was "over served."
- Arshad 'T-Bone' Ashraf owns one of three black VW beetles in the Princeton Office. He
 believes his beetle is faster than Valerie Levy's or Mike DeBruyn's, and would like to
 challenge them to a race around the Carnegie Center parking lot next Saturday.
- Jack Horst realized he has been mispronouncing the word 'project' all these years. He now knows the proper pronunciation is "PRO-ject" and apologized to the class for his mistake.

I had a few adventures of my own during training, but I'm not talking.

Thanks to Jane Greisinger and all those who made the training class a success!

-JON WATSCHKE

NOTES...NEWS...NONSENSE:

LATEST TERMS TO ADD TO YOUR VOCABULARY

Relationary lands and who was responsible.

Seagull Manager - A manager who flies in, makes a lot of noise, messes up everything and then leaves.

Blowing your buffer - Losing your train of thought.

Chainsaw consultant - An outside expert brought in to reduce the employee headcount, leaving the brass with clean hands.

CLM - Career-limiting move - Used among microserfs to describe ill-advised activity. Trashing your boss while he or she is within earshot is a serious CLM.

Depotphobia - Fear associated with entering a Home Depot because of how much money one might spend. Electronics geeks experience Shackophobia or fryophobia.

Adminisphere - The rarefied organizational layers beginning just above the rank and file. Decisions that fall from the adminisphere are often profoundly inappropriate or irrelevant to the problems they were designed to solve.

Dilberted - To be exploited and oppressed by your boss. Derived from the experiences of Dilbert, the comic strip character. "I've been dilberted again. The old man revised the specs for the fourth time this week."

Flight Risk - Used to describe employees who are suspected of planning to leave the company or department soon.

404 - Someone who's clueless. From the World Wide Web error message "404 Not Found", meaning that the requested document could not be located. "Don't bother asking him...he's 404, man."

Generica - Features of the American landscape that are exactly the same no matter where one is, such as fast food joints, strip malls, sub-divisions. Used as in "We were so lost in generica that I forgot what city we were in."

GOOD Job - A "Get-Out-Of-Debt" job. A well-paying job people take in order to pay off their debts, one that they will quit as soon as they are solvent again.

Keyboard Plaque - The disgusting buildup of dirt and crud found on computer keyboards.

Ohnosecond - That minuscule fraction of time in which you realize that you've just made a BIG mistake.

Percussive Maintenance - The fine art of whacking an electronic device to get it to work again.

Prairie Dogging - When someone yells or drops something loudly in a "cube farm" (an office full of cubicles) and everyone's heads pop up over the walls to see what's going on.

Telephone Number Salary - A salary (or project budget) that has seven digits.

Umfriend - A relationship of dubious standing or a concealed intimate relationship, as in "This is Dale, my...um...friend."

Yuppie Food Stamps - the ubiquitous \$20 bills spewed out of ATMs everywhere. Often used when trying to split the bill after a meal: "We all owe \$8 each, but all anybody's got is yuppie food stamps."

--PAM BECKERMAN

ANSWERS FOR THE INTELLIGENCE TEST

- 1. 26 = Letters of the Alphabet
- 2. 7 = Days of the Week
- 3. 1001 = Arabian Nights
- 4. 12 = Signs of the Zodiac
- 5. 54 = Cards in a Deck
- 6. 9 =Planets in the Solar System
- 7. 88 = Piano Keys
- 8. 13 = Stripes on the American Flag
- 9. 32 = Degrees Fahrenheit at which Water Freezes
- 10. 18 = Holes on a Golf Course
- 11. 90 = Degrees in a Right Angle
- 12. 200 = Dollars for Passing Go in Monopoly
- 13. 8 = Sides on a Stop Sign
- 14. 3 = Blind Mice (See How They Run)
- 15. 24= Hours in a Day
- 16. 1 =Wheel on a Unicycle

- 17. 5 = Digits in a Zip Code
- 18. 57 = Heinz Variety
- 19. 11= Players on a Foot Ball Team
- 20.1000 = Words that a Picture is Worth
- 21. 29 = Days in February in a Leap Year
- 22. 64 = Squares on a Checker Board
- 23. 40 = Days and Nights of the Great Flood
- 24. 76 = Trombones in the Big Parade
- 25. 50 = Ways to Loose Your Lover
- 26. 99 = Bottles of Bear on the Wall
- 27.60 = Seconds in a Minute
- 28. 1 = Horn on a Unicorn
- 29. 9 = Judges on the Supreme Court
- 30. 7 = Brothers for Seven Brides
- 31.21 = Dots on a Die
- 32. 7 = Wonders of the Ancient World
- 33. 16 = Men on a Dead Mans Chest

Scoring (based upon first sitting): 1-6 questions = AVERAGE, 6-12 questions = SOMEWHAT INTELLIGENT, 13-18 questions = INTELLIGENT, 18+ questions = GENIUS!

Additional Questions developed by Memphis Project Team

- 34. 76 = Years for Haley's Comet to Return
- 35. 13 = Strikes in a Three Hundred Game
- 36. 1 = For the Money

WINNING WITH INTEGRITY

The book was written by Ron Shapiro and Leigh Steinberg, sports agents for super athletes (Cal Ripken, Steve Young, Kerri Strug). The authors believe in building lasting relationships by negotiating agreements that meet the long-term needs of both parties. They assert that the best negotiators prepare, probe, propose, and persist in achieving results.

Shapiro and Steinberg offer these Essential Rules for Winning with Integrity:

- 1. Align yourself with people who share your values.
- 2. Learn all you can about the other party.
- 3. Convince the other party that you have an option.
- 4. Set your limits before the negotiating begins.
- 5. Establish a climate of cooperation, not conflict.
- 6. In the face of intimidation, show no fear.
- 7. Learn to listen.
- 8. Be comfortable with silence.
- 9. Avoid playing split the difference.
- 10. Emphasize your concessions; minimize the other party's
- 11. Never push a losing argument to the end.
- 12. Develop relationships, not conquests.

--PAM BECKERMAN

HAPPY BIRTHDAY

Dan Bruce	10/16
Rod West	10/17
Scott Vanags	10/19
Michael Barnes	10/21



Bill Cobb 10/20/69 Mahesh Ladd 10/21/85

the FIOTSFIELET

vol. 7 no. 57

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Editor: Leanne Smullen

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QUOTE OF THE WEEK:

"When asked what he thought about when he struck out, Babe Ruth said, 'I think about hitting home runs."

PROJECT POSTCARDS:



NIKE--10 DAYS UNTIL START-UP

ello, and welcome to Team TCB's weekly information session. Thank you for joining us, now sit back, relax, and enjoy as we bring you:

Love Me Tender

Organizational Development: Staff Planning and Training

Staff Planning:

retrofit of an existing and operational facility, the staff planning side of the project becomes extremely critical to the operation of the day-to-day business. It takes people for conversion, testing and the transfer between systems to the draw to the existing operation can be monumental. Many organizations spend an enormous amount of money on equipment and technology, but don't anticipate the human resources required to take a design from paper to production. Nike was an exception, and has been very generous with devoting a lot of resources to this project.

To plan for staffing during start-up, Nike used the basic start-up curve:

```
Year one average = 70\% (~20% improvement)
Year two average = 85\% (~10% improvement)
Year three average = 95\% (design level about mid year)
Year 4+=100\%
```

*Note: These numbers are relative to design-level productivity

Start-up Curve Factors

- Departmental training curves take into consideration the level of difficulty of the job, experience level of the employees, and initial and follow-up training programs.
- Manager's training curves (this is very similar to on-standard time) take into consideration
 the level of complexity of the system, the level of testing of the system and equipment, the
 experience level of the management, and management's involvement in design and testing of
 the facility.
- Volume, Product Mix, Start-up issues, M & P refinement, etc.

Once we determined these factors, we then sped up the progression along the training curve as much as possible, which brings us to our next section:

Training Approach

- Train for depth in key positions
- Train for shift coverage
- Cross-train in upstream and downstream departments
- Two levels of training
- Management how to run the business
- Operators how to do the job
- Incorporate MOC concepts such as the resistance to change curves, sponsorship, and resiliency.

Training Modules

We used a modular approach to share information in smaller chunks and hit all aspects of the project. Our training modules include:

Business Overview
Facility Tours (material handling equipment)
Technology
Methods and Procedures- classroom
Methods and Procedures- hands-on lab

Area manager training

*Note: Integration testing is also a large part of our training plan for the initial users.

Learning Lab

The training sessions were conducted in a classroom with a simulated warehouse that can be used for workflow (customer/supplier relationships, wave management, etc.) and functional training. In these training modules the employees are able to physically take product through the entire system, without ever leaving the room. There are also two training labs that have the same capability.

Resources

We structured the training sessions to establish cascading sponsorship. KSA trained the trainers and managers. The managers and trainers then trained their employees.

In addition to the KSA/Nike project team, we currently have six DC trainers, 12 area managers, one operations manager, and 56 mentors involved in the training/testing/start-up effort. This same crew assists in testing and will be the core support team during start-up. The Mentors are the hourly operators who received additional computer, organization, conflict management and facilitation training to prepare them for their current developmental role.

Documentation

- Job Aides
- Quick Reference Cards
- Training Guides
- Videos

We are now at a critical juncture of our project and I think it is evident that the Nike project team has done a lot to make start-up go smoother from the training perspective. If you're still reading you must be pretty interested in the Nike training effort, so please contact any member of the Nike team for more information.

I hope you enjoyed your virtual tour of the Nike training environment, and I hope you will join us next week as we look into:

Jailhouse Rock - Systems Testing

REPORTING FROM MEMPHIS....STEVE OSBURN

RECENT REQUESTS

GRILL GURUS

Recently, we waded into KSA's deep pool of knowledge to solicit advice on assembling \$5000 barbecue grills. The response was immediate, and reflected KSA's broad range of experience. Here are some excerpts:

"I have no idea how to assemble a grill (although I was successful in getting our \$149 grill into operating condition in something over an hour)." JAN WATSON

"What kind of discount do you get on a \$5000 grill?" TODD SOLLER

"I hope it comes with a "made-to-order" chef." AMY BURNS

"Send me one and I'll figure out how to assemble it for you. I promise." K.B. MARSHALL

"I don't know anything about grill assembly (surprised?), but I'd sure like to get the names and numbers of anybody of the single male persuasion that has \$5,000 to throw away on a grill!" **DENISE TROSTLE**

--MATT MADDOX

IN THE SPOTLIGHT



VALERIE LEVY



I. <u>Professional Information</u>

- 1. Area(s) of Specialization w/in KSA: None yet. I have participated in two CPI projects, facility planning and design, and a strategy project.
- 2. Work Experience Prior to KSA: None
- 3. Current Client (Include a brief project description): Strategy and capacity analysis for Manco.

4. List of Major Client Assignments (name only): Nike, Tiffany & Co., Butch Long's Steaks, Manco, Ecco.

II. Personal Information

- 5. Place of Birth: Smithtown, NY
- 6. Married, Kids: Nope
- 7. Schools Attended: University of Illinois, BS Chemical Engineering
- 8. Hobbies: Singing, reading, doodling, and anything outdoors
- 9. Astrological Sign: Virgo
- 10. Most Interesting Client Assignment & Why: Butch Long's Steaks: they mail order meat.
- 11. Worst Client Assignment & Why: They've all been perfect.
- 12. Most Interesting Place Visited: Mike DeBruyn's Office.
- 13. Favorite Quote: "Only the boring can be bored." (Thanks to Rich Dec)
- 14. Biggest Regret: Trusting Mike and Al near a pool.
- 15. If you could live anywhere, where would it be? San Francisco. I think.
- 16. Frequent Flier Miles? Many spread out on many different airlines.
- 17. Favorite Movie? When Harry Met Sally...
- 18. **Tattoos (optional):** What?
- 19. Any Other Information (i.e. that says something about who you are that you wouldn't mind sharing with the group.): I think anyone who attended the logistics conference knows enough.

NOTES...NEWS...NONSENSE:

This test does not measure your intelligence, your fluency with words, and certainly not your mathematical ability. It will, however, give you some gauge of your mental FLEXABILITY and creativity. In the three years since this test was developed, it has been found that few people could solve more than half in the first day. Many report getting the answers long after the test has been set aside, at unexpected moments when their minds were relaxed; and some reported solving questions over a period of a several days.

Answer: 16 = ounces in a pound

Examp.	le:	16	=	O	in	\mathbf{a}	Ρ
				$\overline{}$		•	-

2.7 = D of the W	1001 = AN
54 = C in a D	88 = PK
32 = DF at which WF	18 = H on a GC
200 = D for PG in M	8 = S on a SS
24 = H in a D	1 = W on a U
57 = HV	11=P on a FBT
29 = D in F in a LY	64 = S on a CB
76 = T in the BP	50 = W to LYL
60 = S in a M	1 = H on a U
7 = B for SB	21 = D on a D
16 = M on a DMC	
	54 = C in a D 32 = DF at which WF 200 = D for PG in M 24 = H in a D 57 = HV 29 = D in F in a LY 76 = T in the BP 60 = S in a M 7 = B for SB

Scoring (based upon first sitting):

1-6 questions correct = Average 6-12 questions correct = Somewhat Intelligent 13-18 questions correct = Intelligent 18+ questions correct = Genius!

Additional questions developed by the Memphis Project Team:

76 = Y for HC to R 13 = S in a THB 1 = F the M

--AARON TODD

HAPPY BIRTHDAY

Charles Adadevoh 10/9
Brenda Steele 10/10
Torre Crupie 10/12
Todd Soller 10/13

the HOTSHEET

vol. 7 no. 56

October 2, 1998

Publisher: Amy Burns
Editor: Leanne Smullen

Published by KSA Atlant

Logistics Services Grou

QUOTE OF THE WEEK:

"IF YOU WANT YOUR DREAMS TO COME TRUE, DON'T SLEEP."

--YIDDISH PROVERB

PROJECT POSTCARDS:



PROJECT - NIKE TENNESSEE - MEMPHIS APPAREL RETROFIT PROJECT

UPCOMING HIRING PRACTICES AND THEIR IMPACT ON PERFORMANCE IMPROVEMENT PROJECTS

 $\ensuremath{\mathbf{re}}$ we teaching the skills that businesses are looking for?

The city of Memphis has decided to take an in depth look at the aptitude of its workforce and is implementing a program to assist in preparing today's students for tomorrow's business needs. The program is called the "Memphis Model and Memphis Partnership" and is designed to involve representatives from local business and educational institutions to define workplace competencies and feed that information back to the educational system in order to better prepare the labor force for the business world. Nike has become the pilot group representing the Distribution & Transportation sector and has already begun the process of defining core competencies for several positions within the DC. As part of the change management effort ongoing at Nike, KSA assisted in defining job duties and basic skill levels required to perform job duties in the new retrofit environment (RF technology and DCMS®).

How can real world business skills be developed through the educational system?

A panel consisting of DC employees, HR representatives, and retrofit project team members was constructed to do two things:

1) Determine all the job tasks that are required for several new positions of the retrofit project. To identify all the job tasks a tool called DACUM was utilized. DACUM is an acronym

standing for Developing A curriculum and is used to bridge the gap between what is taught through the educational system and what the real world actually needs.

2) Determine the core educational skills required to perform the tasks identified. A tool called Workkeys was utilized to assess the basic level of educational knowledge that is required to perform the tasks identified through the DACUM process. The same company that developed the ACT college entrance examination developed Workkeys as an examination tool for graduating high school students entering the vocation route or directly into the business world.

What is the vision?

The vision for the Memphis model is that all positions at a company would be profiled for various Workkeys scores in areas such as; reading, listening and mathematical skills. An employee inquiring for a position would either bring in their Workkeys scores or be tested at the business site and the scores compared to the profiles of the different positions. Another application is for development of an existing employee. An employee who is looking at their career path can compare their Workkeys scores with the position they are desiring and quickly identify the areas needed to be improved (i.e. mathematical or teamwork skills).

What can we expect in the future?

This new trend in partnerships among the business and educational communities may impact a cross section of the services we provide. Strategy projects can incorporate these new factors in labor force assessments. Additionally, Performance Improvement projects will have different dynamics with respect to training and staffing strategies. As we adapt our services to meet our client's changing needs, this new hiring practice will present different opportunities for KSA.

--ASHRAF H. EISA

RECENT REQUESTS

GRILL GURUS

he Cornerstone team is trying to re-engineer the assembly of large Viking gas barbecue grills. Currently, Cornerstone receives the hoods and carts (and accessories) separately, and then assembles them in an extremely labor-intensive process. The hoods can weigh over 500 lbs., and the carts over 200 lbs. The assembly takes over 45 minutes for two associates to complete and the new packaging costs over \$100.

The associates use a powered lift to raise the hood level with the cart, and two associates push the hood onto the cart. The hood is apparently designed to be lowered into the cart, but provides no means of hoisting the hood without damaging it. These grills retail for over \$5000, so we're hoping not to damage them.

Pre-assembly by Viking is problematic because the grills are highly customized (colored hoods, handles, bezels, etc.).

A few questions:

- 1) If you've seen large grill assembly (or something close), what equipment was used?
- 2) What was the process used?
- What are the safety issues (especially concerning testing with natural gas/liquid propane indoors)?
- 4) The assembly of the Viking grills requires tapping, drilling, and screwing the hood and cart together. This is a skilled task that requires experience to master. Are there other ways of securing these two pieces?
- 5) Currently there are 88 different SKU's for the various grill configurations. Does the DC store a standard grill (and then customize it to fulfill the different SKU requirements, as the customer desires?
- 6) How are the grills stored in reserve (complete, partially assembled, etc.)?
- 7) Do people actually buy \$5000 grills?
- 8) Want to see what a \$5000 grill looks like? Check the Frontgate Ultimate Grill Catalog.

--MATT MADDOX

VENDOR VITTLES

LTL RATE INCREASES

ajor LTL Rate Bureaus, agencies that set LTL freight rates for their member carriers, have announced rate increases to be effective November 1. Representative of the group, the Southern Motor Carriers Rate Conference has announced an increase in LTL rates averaging 5.5% along with an increase in minimum charges by \$1.00.

In related news, Congress has mandated the Surface Transportation Board to determine whether rate bureaus should retain their anti-trust immunity.

Yellow Freight System, the nation's second-largest LTL carrier, has announced an average 5.5% rate increase to be effective 10/1. The increase will also include a \$3 jump in minimum shipment charges to \$49.95. Last year's increase of 4.9% was effective 10/15.

-- TOM CLEMENT

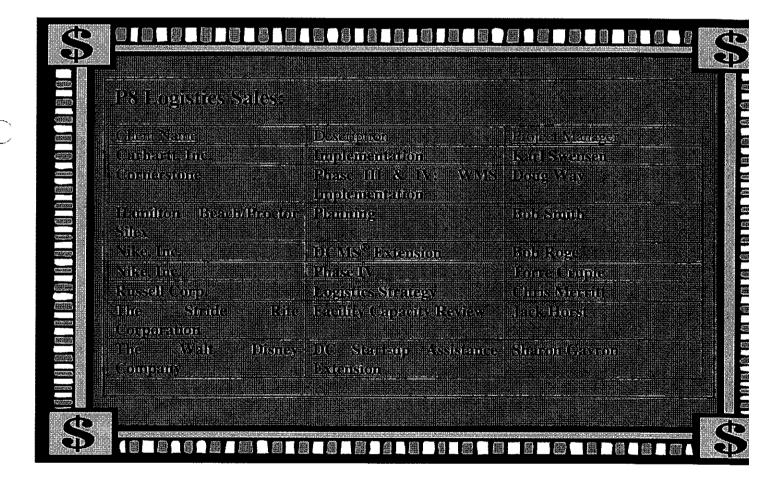
FDX CORP. EXPANDS DOMESTIC PACKAGE SERVICES

DX Corp., parent of carriers Federal Express (parcel-air), Viking Freight (regional LTL), and RPS (parcel-ground), has decided to re-focus energy away from global expansion and towards domestic expansion of RPS. It has decided to direct \$450 million in capital investments to increase RPS's package capacity by 30% over the next two years.

--TOM CLEMENT

RECENT SALES

Below is a list of Period 8 Sales for the Logistics Department. If you have a sale, that is not listed or you find that there are variances in any of the information. Please contact Laura Legg as soon as possible. Congratulations to everyone who participated in each of these Sales!



NOTES...NEWS...NONSENSE:

STATE SLOGANS

Alabama:

At Least We're not Mississippi

Alaska:

11,623 Eskimos Can't be Wrong!

Arizona:

But It's a Dry Heat

Dehyd-rific

Arkansas:

Litterasy Ain't Everthing

California:

As Seen on TV

Colorado:

If You Don't Ski, Don't Bother

Connecticut:

Like Massachusetts, Only Dirtier and With

Less Character

Delaware:

We Really Do Like the Chemicals in our

Water

Florida:

Ask Us About Our Grandkids

Georgia:

We Put the "Fun" in Fundamentalist

Extremism

Hawaii:

Haka Tiki Mou Sha'ami Leeki Toru

(Death to Mainland Scum, But Leave Your

Money)

Idaho:

More Than Just Potatoes... Well Okay,

We're Not,

But The Potatoes Sure Are Real Good

Illinois:

Please Don't Pronounce the "S"

Gateway to Iowa

Indiana:

2 Million Years Tidal Wave Free

Iowa:

We Do Amazing Things With Corn

Land of James T. Kirk

Kansas:

First Of The Rectangle States

Kentucky:

Five Million People; Fifteen Last Names

Louisiana:

We're Not All Drunk Cajun Wackos, But

That's Our

Tourism Campaign

Maine:

We're Really Cold, But We Have Cheap

Lobster>

Maryland:

A Thinking Man's Delaware

Massachusetts:

Our Taxes Are Lower Than Sweden's (For

Most Tax Brackets)

Michigan:

First Line of Defense From the Canadians

Minnesota:

"10,000 Lakes and 10,000,000,000,000 Mosquitoes" For Sale

Mississippi:

Come Feel Better About Your Own State

Missouri:

Your Federal Flood Relief Tax Dollars at Work

Montana:

Land of the Big Sky, the Unabomber, Right-Wing Crazies, and Very Little Else

Nebraska:

Ask About Our State Motto Contest Nevada: Whores and Poker!

New Hampshire:

Go Away and Leave Us Alone

New Jersey:

Ya Wanna ##\$%##! Motto? I Got Yer ##\$%##! Motto Right Here!

New Mexico:

Lizards Make Excellent Pets

New York:

You Have the Right to Remain Silent, You Have the Right to an Attorney...

North Carolina:

Tobacco is a Vegetable

North Dakota:

We Really are One of the 50 States! Um... We've got... Um... Dinosaur Bones? Yeah, Dinosaur Bones!

Ohio:

We Wish We Were In Michigan Don't Judge Us by Cleveland

Oklahoma:

Like the Play, only No Singing

Oregon:

Spotted Owl... It's What's For Dinner

Pennsylvania:

Cook With Coal

Rhode Island:

We're Not REALLY An Island

South Carolina:

Remember the Civil War? We Didn't Actually Surrender

South Dakota:

Closer Than North Dakota

Tennessee:

The Educashun State

Texas:

Si' Hablo Ing'les (Yes, I speak English)

Utah:

"Oh My Heck!!!"

Vermont:

Yep

Virginia:

Who Says Government Stiffs and Slackjaw Yokels Don't Mix?

Washington:

Help! We're Overrun By Nerds and Slackers!

Washington, D.C.:

Wanna Be Mayor?

West Virginia:
One Big Happy Family-Really!

Wisconsin:
Eat Cheese or Die
Come Cut Our Cheese

Wyoming: Wynot?

--DENISE TROSTLE

SAYINGS FROM HOME

k travelers...this is your chance to show us what you've learned. I am looking for unique regional sayings from your favorite town.

Do you have a favorite saying that Grandma or Grandpa told you as a child but no one in your city of residence would have any idea what you were talking about if you repeated it? (i.e. A favorite Southern expression--"That was a great meal, now I'm full as a tick in June.) Have you recently moved to a new area and you marvel at the way they pronounce a common word? (i.e. park the car = pahk the cah). Have you traveled to different regions of the U.S. and noticed several different phrases that mean the same thing—depending on what city your in at the time? (i.e. a soft drink is a "pop" in the Mid-West, a "coke or a co-cola" in the South, and a "soda" about everywhere else.

Now, let's here from you. Send your favorite "Saying from Home" (where ever home may be these days) to Amy Burns or Leanne Smullen by October 14th, then check the October 16th edition of the *Hotsheet* to find out what we've all learned from living all over the map.

--AMY BURNS

HAPPY BIRTHDAY

Steve Hescock 10/2 Melisa Olson 10/8

As of 10/02/98

the HOTSHEET

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QUOTE OF THE WEEK:

Leanne Smullen

"Squalls out on the gulf stream
Big storm's comin' soon
I passed out in my hammock
And God I slept 'til way past noon
Stood up and tried to focus
I hoped I wouldn't have to look far
I knew I could use a Bloody Mary
So I stumbled next door to the bar
And now I must confess, I could use some rest
I can't run at this pace very long
Yes it's quite insane, I think it hurts my brain...
--IIMMY BUFFETT

Trying to Reason with Hurricane Season

THIS EDITION OF THE HOTSHEET IS DEDICATED TO THE 1998 LOGISTICS CONFERENCE

ur special thanks goes out to Libby Morgan for strategically planning the Spin Sale Conference for the weekend of August 25th. If not for Libby's assistance, Hurricane Georges would have attended the 1998 conference.

-- TORRE CRUPIE

COMMENTS FROM CLIENTS

rom my notes, here are some of the comments from the client panel (Blockbuster L.L.Bean, and Wolverine).

- 1. Know our industries and their benchmarks.
- 2. Be candid and forthright.
- 3. Come ready to work. Have strong technical knowledge (we grant no honeymoon). Contribute right away.
- 4. Spend time building relationships—trust leads to sales.
- 5. Actively listen.
- 6. Be a role model. Facilitate growth—teach people to fish.
- 7. Be our partners. Own our results.
- 8. Know relevant government regulations.

- 9. Understand the evolving demands of our customers.
- 10. Be creative. Offer tailored solutions not off the shelf answers.
- 11. Know transportation.

--PAM BECKERMAN

FROM THE SCIENTIFIC JOURNALS OF KSA

Priscilla Jorgensen, Jeff DeRuiter, and Chris Davis witnessed a rare and fascinating wildlife phenomenon off the shores of Marathon Key last Saturday afternoon - A SLEEPING SHARK. Until recently, it was thought that sharks needed continual movement to keep seawater and oxygen flowing over their gills. It has only been in the last decade that sleeping sharks were discovered and entire dive expeditions have been dedicated to finding and studying these sleeping sharks. It just so happens that Jeff "Eagle Eye" DeRuiter saw the tail of a shark sticking out of a cave formed by brain coral. With a flashlight supplied by JD "Always Prepared" Densmore, the UET was able to look into the brain coral cave and come face to face (about 5 feet) from a sleeping shark. Fortunately, the shark appeared to be dreaming and did not seem bothered by his/her visitors.

Other notable wildlife observed: Sting Rays, Barracuda, Rock Lobster, and whole bunch of neat-o fish!

Next stop for the KSA-UET: Wrestling Orca whales off the coast of Australia!

--CHRIS DAVIS

ALL I EVER NEEDED TO KNOW I LEARNED AT A LOGISTICS CONFERENCE...

- 1. DELTA = (The Plane) \underline{D} on't \underline{E} ver \underline{L} eave the \underline{A} irport.
- 2. 120 Fashionable Ways to Tie a Team Bandanna.
- 3. Chris Merritt should not shoot Beer, Tequila, and Jack Daniels all in one night (even if it is his birthday).
- 4. Ralph Wear and Melisa Olson can rap.
- 5. Elvis is still alive and well and working for KSA.
- 6. Jana Hughes is the leader of a very militant, win-at-any-cost Green Beret Troop.
- 7. If you drink heavily, eat a big breakfast, then get on a boat, you will throw up.
- 8. The hair on Torre Crupie's head, at times, resembles that of Don King!
- 9. No matter what...do not miss the shuttle back to Duck Key from Key West (just ask Scott Vanags).
- 10. The parking lot is not a comfortable place to sleep.
- 11. A KSA golf tournament, "ABC or D Player" mean nothing after a night of drinking.

- 12. Aaron Todd's groupie costume was just a little TOO well coordinated.
- 13. Twister can be a very violent game.
- 14. Jim Severyn thinks the golf term "birdie" means "hit a bird with a ball." That's hunting, Jim, not golf.
- 15. KSA Logistics still throws the best parties...I mean, conferences.

WINNERS CORNER

ongratulations to The Green Berets for winning the overall team competition. Also congratulations to the golf team of Jeff DeRuiter, Glenn Hershey, John Karonis, and Scott Sangrey for winning the golf tournament. Dave Rush was the winner of the Longest Drive and Jaret Lynch won the Closet to the Pin Award.

Impressions of the Logistics Conference

 ${
m H}$ eartfelt welcomes, birthday celebrations

Accurate and audacious presentations

Watersports, golf, and a scavenger hunt

Knowledge imparted, client wisdom shared

Skits, songs, spirit, and silliness

Creativity, common values, and bonding

 ${f A}$ lot of beer, wine, pina coladas, and late nights

 ${
m Y}$ elling, clapping, team building, and travel

A superb time was had by all! Thanks for including me! Congratulations to the organizing committee for their awesome efforts.

-PAM BECKERMAN

PROJECT POSTCARDS:



UPDATE FROM NIKE!!!

reetings from KSA's Memphis Office (Nike Division). Currently team TCB consists of Cameron Geiger, Ashley Deaton, Ashraf Eisa, Scott Vifquain, Anika Ball, Andy Johnson, Aaron Todd, and Steven Osburn. We have Gary Megson, Brad Whicker, Jaret Lynch, and Adam Bowling from Manhattan Associates. Finally, we have Bob Roge and Torre Crupie as our fearless leaders. If all goes well, the Nike Apparel retrofit will go live with Phase 1 on October 19th. We are looking forward to providing 24-hour support during start-up, but until then we are running integration tests involving the entire facility, as well as reviewing procedures and preparing for full facility training. The Keys provided a good break, but now the real fun begins.

***For those of you who don't know, TCB was what Elvis branded all his possessions with. It stands for Taking Care of Business in a Flash, and it means that we are sooo cool (or cheesy)!

Don't worry, here in Memphis it's not all fun and games. We recently had to do a team building exercise in which five of us ran in the Elvis 5K, we spent many sleepless days and nights before the conference trying to figure out ways to respectfully emulate our leaders (Bob as old heavy Elvis, Torre as Don King), and while doing all this we have had to create a knowledge base for the best places to hang out in Memphis (soon to be added to the BOK).

A lot will be going on in the next few weeks, and this is only the introduction to a interesting and informative Four part series that will carry us all the way to start-up. Included in that series you can expect to see:

Love Me Tender......Org Development: training and staff planning

Jailhouse Rock.....Systems Testing

Blue Suede Shoes.....MHE/Design

Don't Be Cruel......Performance Reporting

--STEVEN OSBURN

GEEK OF THE CONFERENCE



arly Sunday evening, Jon Watschke and I were packing the car after a snorkeling adventure on Key Largo, when Jon turned to me and asked, "Is this your wallet?"

"Oh fudge!" I said. Having been sailing all day, I picked up some pretty salty language. I immediately recognized that the wallet belonged to GEEK OF THE WEEK Jeff DeRuiter, who had departed several hours earlier to catch a flight to San Francisco. Jeff had hidden his wallet in the car that morning while we were jet skiing.

"Fire up the Big Phat Caddy!" I shouted, "we've got one hour until takeoff!"

Jon leapt into the driver's seat while I threw fins and snorkels into the cavernous trunk. I jumped in and Jon turned to me and said, "We've got a full tank of gas, all of Jeff's money, it's dark, and we're wearing sunglasses." "Hit it!" I said. The engine rumbled as Jon shifted into 'Warp Speed'.

The speed limit was 45 MPH most of the way up, and the road was clogged with battle-weary bikers returning north from the Key West Biker Rally (I think I saw Mike Swift and Val Levy riding Hogs towards Miami). But Jon never hesitated; he drove like a man possessed, or an average Italian.

Just south of Miami, we were caught in a torrential downpour. Unfortunately, the air conditioning in the Big Phat Caddy had failed. We drove with the windows down, creating a pool in the back seat for the empty beer bottles. The windshield fogged up, and without the AC, we couldn't effectively defog it. Luckily, it is not unusual in Miami to see a huge Cadillac driven by a blind man barreling down the highway, so our fellow drivers were not concerned.

We blazed into the airport and I sprinted into the terminal while Jon circled the airport trying to shake the cops. I stopped at the 'A' terminal American counter at 7:26. The counter agent informed me that the 7:30 flight to San Francisco was 'On Final', but that if I ran I might catch it. "Which gate?" I demanded. "E-24" he replied.

Those of you familiar with the alphabet might think that E is relatively close to A. This is not the case.

Weaving, jumping, and apologizing, I sprinted through the airport, up the escalator, into the terminal shuttle, down the escalator, and through the 'Ticketed Passengers Only' security gate. At the E-24 gate, the door was closed, but three gate agents lie in wait. "This... I... wallet... Jeff..." I sputtered as I tried to catch my breath. But Jeff had conveniently charmed all of the American agents, who were expecting me. They plucked the wallet from my trembling hands and disappeared down the tunnel.

--MATT MADDOX

THE LEGGIO AWARD

his description was submitted by Andy Johnson, but the recipient was nominated by several people. After several nights of drinking, sea kayaking at 4:00 am, sleeping out on the catamaran, and various other activities, there was a dinner at Key West. It started out as a rather mellow affair, but after a few rounds and lots of (not so) hot biker babes wrestling in key lime pie, things got more interesting. Scott Vanags managed to disappear after everyone left Margaritaville. His whereabouts were unknown for several hours and can only be guessed at. He was left behind in Key West sometime around 3:00 AM and was next heard from through a phone call at 6:00 AM asking for a ride. After he was informed that nobody in his room was feeling up to driving back to Key West (the buddy system at work), he managed to secure himself a ride home by bribing "some crazy old guy in a pickup truck" twenty bucks for the ride back from Key West at 7:00 AM. Rumors abound about the details, for more you'll have to ask him.

--FRANK LEGGIO

NOTES...NEWS...NONSENSE:

EVER WONDER WHAT IT WAS LIKE TO BE YOUR MIDDLE-SCHOOL TEACHER?? ACT NOW!



Over the last school year, dozens of office-based KSAers volunteered nearly 800 hours teaching one thousand middle-grade students topics ranging from international economics to personal budgeting and setting career goals.

Junior Achievement places professionals in classrooms where students learn the importance of business and economics in their daily lives while volunteers get to experience making a difference in the lives of many young people.

As KSA volunteer numbers swell in Atlanta, New York, and Princeton, so does interest in volunteering. Many volunteers return for two, three, or more semesters. Dave Cole, on the Junior Achievement of Georgia Board of Directors, got into the act last spring helping Pam Beckerman teach a class at a local middle school.

Now, relocating consultants have expressed interest.

As on-site engagements grow in length, opportunities are arising for relocating KSA consultants to volunteer with Junior Achievement in their local communities.

Any relocating consultant interested in becoming a Junior Achievement volunteer should first ask themselves the following questions:

"Is there a Junior Achievement organization nearby?" Junior Achievement has offices in cities and towns of all sizes across the U.S. Check the local phone book.

"Can I name between one and two partners with whom I could team-teach?" Team teaching helps to offset the often-unpredictable day-to-day consulting schedule: if one team member can't make a class or is suddenly moved to a new project, the class will not suffer. Keep in mind; if you are located near KSA's Atlanta, Princeton, or New York offices you might be able to team up with someone from there.

"Is this project generally expected to continue through mid January?" The fall semester lasts between 8 and 12 weeks.

"Does my project manager agree that it will be OK to pursue?" Teaching Junior Achievement classes requires about an hour of teaching and a half-hour of class preparation per week for 8 to 12 weeks plus a (approx.) two-hour orientation at the beginning of the semester. Time spent on Junior Achievement is strictly volunteer. All teaching course outlines and materials are provided by Junior Achievement. Enthusiasm and creativity are your responsibilities.

If you answered "Yes!" to each of these questions, contact Tom Clement via voice-mail or e-mail by September 30!

The school year has started, JA programs are looking for volunteers and now is your chance to be head of the class!

-- TOM CLEMENT

CONGRATULATIONS ROD & CYNTHIA

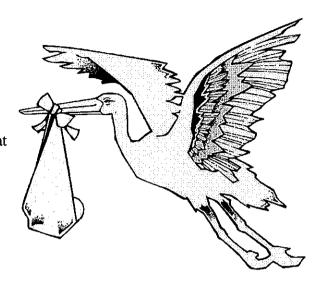
Special Friends:

I wanted to share the good news of a new life with some very special people in my life.

My daughter, Raven Ciara West was born 9/21/98 at 2:05pm *in Memphis, TN*She weighed 6 lbs. 6 oz. and was 18.5 inches long.

Raven and Cynthia Allen (mother) are recovering at home.

--ROD WEST



HAPPY BIRTHDAY

Diallo Tyson 9/25 Tony DeMaria 9/29 Jack Horst 9/30



Suzanne Judd 10/1/84

the HOTSHEET

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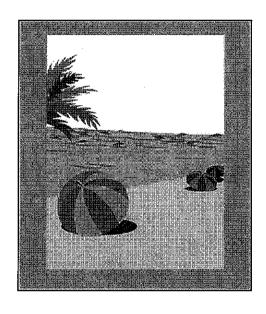
Logistics Services Group

QUOTE OF THE WEEK:

"If you see a bandwagon, it's too late."

--SIR JAMES GOLDSMITH
FOUNDER OF INDUSTRIAL, COMMERCIAL, AND FINANCIAL ENTERPRISES

PUBLISHER'S NOTE:



his Friday the staff and contributors to the Logistics *Hotsheet* will be on a Florida Key sipping rum drinks, basking in the warm tropical breezes, and enjoying meeting all the new faces and old friends in Logistics; therefore, this week's Hotsheet is a condensed preconference version. Look for next week's post-conference edition to find out about the "island adventure". See 'ya at Hawk's Cay...

VENDOR VITTLES

ID SYSTEMS (SEPTEMBER 1998)

THE LATEST HIGH-SPEED SCANNER TRENDS: INDUSTRIAL IN-LINE SCANNING (Second in a 3-part series)

In most cases, such speeds aren't necessary in industrial high-speed scanning, which most typically is used in packaging and distribution applications. "Scanners that fill this bill can fall anywhere in the 200- to 1000-scans-per-second range," says Scott MacKenzie, manager of applications engineering for Microscan. "There are three basic reading ranges, determined by package size: 12-inch maximum, 20-inch maximum and—less common—anywhere from 6

inches out toward 5 feet. In most distribution applications, scanners are side-mounted, and package size is relatively uniform with consistent label orientation. Sometimes, though, they're mounted over the belt, depending upon label location," he added.

The kinds of over-the-belt, omnidirectional, mega-scanning applications used for package delivery by UPS or the USPS employ very high speed scanners, reading packages traveling at 100-plus inches per second at multiple read ranges, with a 36-inch field of view. Such applications use DDC imaging scanners or omnidirectional lasers. But these state-of-the-art industrial applications are far from typical.

Scanning speed is, of course, application dependent. The very high speeds in document processing are possible because few scans are required to read the bar code, owing to the code's fixed location and uniformity; labels that are tilted, skewed, or in variable condition require faster scan speeds to achieve scan redundancy. Higher scanning rates correlate with higher scanner prices.

--LEANNE SMULLEN

INDUSTRY INSIGHTS

MITSUBISHI PAYS FOR ADA VIOLATION

itsubishi Motor Manufacturing of America agreed Wednesday to pay \$3 million to settle the complaints of 87 people who say they weren't hired because of their disabilities.

The car manufacturer also agreed to change what the federal government labeled a discriminatory hiring policy.

Mitsubishi rejected the 87 people at its Normal, IL factory because of disabilities such as diabetes, asthma, hearing impairment, or in one case, a history of back surgery, said Jean Kamp, a spokeswoman with the U.S. Equal Employment Opportunity Commission.

"The investigation we did showed that when people applied for jobs at Mitsubishi and were given conditional job offers, they were then required to take a medical exam, which is OK," Kamp said. "But then, if the medical exam showed any kind of restriction at all, they would not hire them."

This settlement comes three months after Mitsubishi agreed to pay \$34 million in the largest sexual harassment case in U.S. history.

The 1992 Americans with Disabilities Act requires that employers take steps to reasonably accommodate disabled workers who are qualified to do the job.

The \$3 million settlement will be split between the 87 people who filed the claim. The payments will range from \$10,000 to \$120,000.

There won't be any new hiring at the Mitsubishi plant until the manufacturer has revised its hiring policies. The personnel who do the hiring will also be retrained, said Mitsubishi spokeswoman Gael O'Brien.

"We believed that we were in compliance with the Americans with Disabilities Act," O'Brien said. "Where we were not, we have agreed to work with the EEOC to ensure that we fully comply."

Mitsubishi also agreed to open its plant so the EEOC can interview workers on the hiring process and review hiring documents.

--PAM BECKERMAN

NOTES...NEWS...NONSENSE:

THE LAWS OF WORK

If you can't get your work done in the first 24 hours, work longer nights.

A pat on the back is only a few centimeters from a kick out the door.

Don't be irreplaceable; if we can't be replaced, they may not hire us.

It doesn't matter what you do; it only matters what you say you've done and what you're going to do.

After any salary raise with anticipation more than expected, you will have less money at the end of the month than you did before.

The more crap you put up with, the more crap you are going to get.

You can go anywhere you want if you look serious and carry a clipboard with a stopwatch on it.

Eat one live toad the first thing in the morning and nothing worse will happen to you the rest of the day.

When the client talks about improving productivity, they are never talking about themselves.

If at first you don't succeed, try again. Then re-scope the project. No use being a darn fool about it.

There will always be beer cans rolling on the floor of your car when the client asks for a ride home from the office.

Keep your client off your boss's back.

Everything can be filed under "miscellaneous."

Never delay the ending of a meeting or the beginning of a cocktail hour.

--FRANK LEGGIO

HAPPY BIRTHDAY

Chris Merritt	9/17
Leanne Smullen	9/17
Brad Humphries	9/17



Chris Dowd	9/16/96
Ralph Wear	9/19/94
Dennis Blankenship	9/19/94
Chuck Easley	9/22/86

the HOTSHEET

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Leanne Smullen

QUOTE OF THE WEEK:

"THE ONLY DIFFERENCE BETWEEN A RUT AND A GRAVE ARE THE DIMENSIONS."
--PATRICIA SWERDA

DCMS® TRANSFER

ffective today, the DCMS[®] product and most of the team that support it will transfer to Manhattan Associates. To those of you who are transferring, THANKS for your hard work and your role in helping make the Logistics practice a smashing success. We wish you well in your new careers at Manhattan and look forward to continuing to work with you as we finish our ongoing DCMS[®] projects and start new projects with your new company.

This group has had a significant impact on Logistics. DCMS[®] and the team enabled KSA to advance relationships with key clients including Polo Ralph Lauren, VF, Nike, Disney, Haggar, and Unifirst. They enabled Logistics to deliver leading edge distribution center designs that provided our clients with real competitive advantages.

DCMS[®] was the first warehouse management system to utilize the VICS tools, the first to accommodate floor-ready merchandise, and the first to use a sophisticated dispatching (work planning) system to balance work flowing through a facility to its capacity. Additionally the reliability of the product and its interfaces with business systems and sortation control systems gave it – and KSA – a reputation for delivering bulletproof support.

The team that is transferring will continue to be an integral part of Logistics — we expect that they will continue to do the excellent work they began at KSA and develop leading edge warehouse management solutions that we can provide to our clients. Transitioning to Manhattan Associates will give the team access to the advantages of a pure software development environment and support their efforts to do excellent development work.

Thanks to the following individuals for your tremendous efforts and accomplishments at KSA, and best wishes in your future endeavors.

Steve Bardsley Michael Barnes Jeff Beadle Adam Bowling Eddie Cannon Sharon Chancey Vish Ganapathy Lisa Hall Mike Jenkins

Patrick Kirkland David Lindabury Jaret Lynch Gary Megson Daniel Murray Lilah Pressley Amar Shinde Brad Whicker

--STEVE RIEPENHOFF

PROJECT POSTCARDS:



GREETINGS FROM THE JUSCO LOGISTICS PROJECT TEAM!

ur Japan team is made up of Jerry Black, Dan Bruce, Greg Dugger, Angeline Ho, Mohan Komanduri, Connie Kwok, Takuya Ogawa, Kazuya Sasamoto, Lynn Spuhler, Karl Swensen, and Gaku Wakabayashi. In addition, Rob Oglesby and Mike Swift provide stateside support as needed. Every one of us has completed the ritual client-sponsored karaoke, and nomunication (nomu - the Japanese word for drinking, and nication - the last part of communication, drinking + communication = nomunication). I digress...

Four logistics projects are currently underway (in addition, Merchandising Process, Merchandising Systems, Vendor Partnership Program, Store Inventory Accuracy, and Store Systems projects with 15 additional KSAers). Almost all of KSA's global practices are represented on these projects - Japan, Hong Kong, United Kingdom, Germany, and the USA. Here's a summary of the logistics projects:

Facilities Design Conceptual Design of 18 facilities (yes - eighteen) will be complete at the end of October. Many of these facilities have similar functions - bringing the actual different types of facilities down to four. These facilities will handle everything from raw fish processing to trailer loading in store layout sequence. Detail Design of the first two facilities (Iwatsuki and Sendai) will start in the beginning of November. The total space for all 18 facilities is 2.9 million square feet, utilizing a 60-ft. clear height.

WMS Requirements Definition Functional and technical requirements definition for the WMS are moving ahead at full steam. Our plan is to select one vendor with whom we will implement a

system across all 18 facilities. One challenge (opportunity) is to define the requirements for processing a freshly caught tuna weighing 100kg into 80kg of saleable units. In Japanese, this process is called "budomari kanri." We have yet to determine a simple translation for this into English.

Logistics Processes Definition We are working to develop entirely new logistics processes to manage the new facilities and to work effectively with newly developed merchandising processes. This includes Vendor Compliance, Quality Control, Capacity Planning, Transportation Management, Import Logistics, and Logistics Information Systems Management to name just a few.

3rd Party Logistics (3PL) Service Provider Selection The new facilities will be managed by one or more 3PL service providers. We are in the process of developing the service requirements for the first two facilities and selecting these 3PL service providers. We are narrowing down the initial 61 providers down to 12 this week.

If you've been wondering what's been going on the other side of the world, now you know. As with all client information, please don't share this outside of KSA. This information is not public knowledge. If you would like to learn more about the what's happening in Japan, please e-mail or voice-mail any of us.

--MOHAN KOMANDURI

NEWS FROM DALLAS

he Blockbuster Project Team would like to welcome Liz Goldstein to Dallas. Liz just graduated from Northwestern University with degrees in Mathematics and Psychology, both of which will come in very handy during Base Plus[®]. During her internship with KSA last summer, she worked on a Base Plus[®] project with Neysa Colizzi and Suzanne Dencker at Jones of New York, so she's no stranger to time study. The Blockbuster Base Plus[®] project team is an all-Midwest squad, with Chris (Notre Dame), Megan (Purdue), and now Liz (Northwestern).

Which brings us to the update portion of this entry. Our implementation/start-up assistance for Blockbuster is coming to a close after about a year of blood, sweat, and tears. Scott Sangrey and Brad Jenkins are wrapping up some loose ends, and will be on site for several more weeks. Jana is grudgingly beginning to accept her role as a manager, and will be spending less and less time on site as Base Plus[®] gets into high gear (right, Jana!?!?). In the meantime, Chris, Megan, and Liz are into Base Plus[®] full time, and we expect to begin putting operations on standard towards the end of September. We'll keep you posted.

--CHRIS DOWD

VENDOR VITTLES

ID SYSTEMS (SEPTEMBER 1998) THE LATEST HIGH-SPEED SCANNER TRENDS (First in a 3-part series)

If igh-speed scanning is employed in two very different application areas. The highest-speed bar code spanning is currently used in document handling, most often for inspection and verification purposes. Both laser and CCD-based imaging scanners may be integrated into presses, or bookbinding, folding, inserting, and mailing machinery, often in concert with other types of scanning technology, such as OCR (optical character recognition) or imaging for processing multiple symbols and fonts.

Scott MacKenzie is manager of applications engineering for Microscan, the company that first integrated laser diodes into fixed-mount bar code scanners. "Recently, equipment for moving paper has improved to the point that bar code scanners are now the limiting factor in document processing speed," he said. "The maximum speed for bar code scanning technology is 1300 scans per second; typically—depending upon the physical characteristics of the bar code—this translates into about 120 inches per second, maximum range."

--LEANNE SMULLEN

IN THE SPOTLIGHT



TODD SOLLER



I. Professional Information

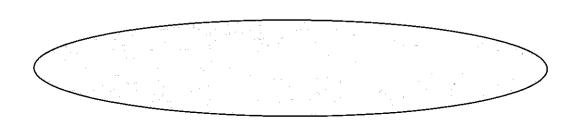
- 1. Area(s) of Specialization w/in KSA Currently working on a facility planning project for Coldwater Creek. No specialization yet, but I really enjoy the challenges offered by facility planning projects.
- 2. Work Experience Prior to KSA US Navy, Nuclear Power Program, Instructor
- 3. Current Client Coldwater Creek
- 4. List of Major Client Assignments (name only) Coldwater Creek

11. Personal Information

1. Place of Birth Fort Smith, Arkansas

- 2. Married, Kids No and no
- 3. Schools Attended: University of Arkansas, BS Mechanical Engineering
- 4. Hobbies Backpacking, mountain biking, reading,
- 5. Astrological Sign Libra
- 6. Most Interesting Client Assignment & Why Coldwater Creek; it's a very complex and interesting project with a great variety of challenges. I think that this project has given me the opportunity to see how many areas of a client's business that we at KSA have a chance to impact and improve. I've also been to two very different parts of the country on one project.
- 7. Worst Client Assignment & Why Nothing bad so far.
- 8. Most Interesting Place Visited Living in Idaho for five months was really interesting. Since I've always lived in the eastern half of the country, it was great to live in the west for a while.
- 9. Favorite Quote "Avoiding death is not the same as achieving life."
- 10. Biggest Regret Deciding not to play football in college.
- 11. If you could live anywhere, where would it be? I would love to go back to West Coast for a while.
- 12. Frequent Flier Miles? About 40,000
- 13. Favorite Movie? Braveheart or Pulp Fiction
- 14. First Album (CD) Purchased? Freeze Frame by the J. Geils Band (I think)
- 15. Tattoos (optional) None
- 16. Any Other Information (i.e. that says something about who you are that you wouldn't mind sharing with the group.) I'm from Arkansas; I'm not Bill Clinton. Don't ask me about him.

NOTES...NEWS...NONSENSE:



Ten Reasons Why Organizations Do Dumb Things

effrey Pfeffer, author of *The Human Equation: Building Profits by Putting People First* (Harvard Business School Press), contends that there are reasons that companies cannot implement good ideas. What a surprise, these reasons have to do with the human equation.

- 1. Follow the crowd mentality. (Don't diminish good ideas because they are not the latest fad.)
- 2. Career pressures to produce short-term financial results. (To really win, it has to be over the long term)
- 3. Blind faith in leadership; little or no faith in the power of delegation. (Healthy conflict enhances decisions)
- 4. Abuse of the benefits of expertise. (Just because people know their stuff, technically, does not mean they know everything)
- 5. Promoting those who bring in the big bucks while overlooking other contributions. (It takes a village?)
- 6. Obsession with short term costs while neglecting to assess the return on these costs. (Spend money on what it really takes to be profitable.)
- 7. Being a *Tough* Manager. (Fear only leads to blame avoidance, not excellence.)
- 8. Only stressing financial factors when educating managers. (Influencing human behavior is not a quantitative task.)
- 9. Valuing technical skills over people skills. (Leading change requires consensus building.)
- 10. Focus on short-term performance to the detriment of long term investment in people. (Make sure you are growing the next crop of leaders.)

--PAM BECKERMAN

SEPTEMBER LEGGIO AWARDS

Biggest Sandbaggers Award

his award is being given to a team. Dave Rush, Brooks Kitchel, Jane Griesinger, and Scott Daughdril recently won a local golf scramble. It would appear by their final score that some, if not all, conveniently raised their scores for the purposes of determining teams. However, when tee time came around they suddenly had their best game of the season.

Save the Fairways Award

Meanwhile, Team Ford (a.k.a. Team Integrity), Doug Ford, Chris Port, Iris Chang, and your truly, submitted TRUE scores and ended up with the highest score for the round. This was evidenced by the prizes our team won, the Most Lost Balls, and Most Time in the Hazards. If there had been a prize for the most trees hit with a single shot we would have won that too. This was done in an effort to not destroy the fairways with unsightly divots and to make the game a bit more challenging. We attempted to keep our balls in the rough as much as possible and to always keep a tree between the hole and us.

--FRANK LEGGIO

HAPPY BIRTHDAY

Chris Merritt	9/17
Leanne Smullen	9/17
Brad Humphries	9/17



Mike Bell 9/13/95 Chris Dowd 9/16/96 Mike Jenkins 9/16/96

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QUOTE OF THE WEEK:

THE CHAMPION'S CREED

" I AM NOT JUDGED BY THE NUMBER OF TIMES I FAIL, BUT BY THE NUMBER OF TIMES I SUCCEED. AND THE NUMBER OF TIMES I SUCCEED IS IN DIRECT PROPORTION TO THE NUMBER OF TIMES I CAN FAIL AND KEEP TRYING!"

--TOM HOPKINS
SALES TRAINER AND WRITER

PROJECT POSTCARDS:



ADIDAS FOOTWEAR BENCHMARK STUDY

ecently, two benchmarking studies were performed for adidas America. The first study was done for their Hebron, KY apparel DC and the other was for their Spartanburg, SC footwear DC. They have recently switched to third party warehousing and asked us to evaluate their partners productivity and cost in comparison to industry standards. UPS WorldWide Logistics and Caliber Logistics are their partners for apparel and footwear, respectively.

To perform the studies, we relied upon several KSA colleagues to provide benchmarking data from projects they had worked on. In doing so, several people expressed interest in obtaining the "final" results of the studies. If you are interested in obtaining a copy of the studies, they are located on the H:\ drive under Groups\Logistics\Clients\adidas Benchmarking Studies with file names "adidas apparel" and "adidas footwear". My personal thanks go out to all who took the time to provide us input and make the study valuable to adidas.

--TROY VAN WORMER

INDUSTRY INSIGHTS

INFOWEEK DAILY (8/31/98) WAL-MART AUTOMATES TRANSPORTATION BIDDING

al-Mart Stores Inc. is further automating the bidding process for companies that transport the retailer's merchandise from distribution centers to stores. Under an expanded outsourcing agreement with Sabre Group, contracts representing about 40% of Wal-Mart's transportation spending will be handled using Sabre's OptiBid software.

OptiBid will help Wal-Mart shave several million dollars from its annual transportation costs in part by "rating" the pros and cons of working with transporters in various regions and then working out fewer, larger deals, says Matthew Menner, Sabre's director of logistics. Wal-Mart now spends about \$1 billion a year on transportation, Menner says.

Currently, the OptiBid system requires transportation companies to provide most of their bid data on diskettes that are shipped to Sabre for analysis. However, within the next six months, Sabre plans to introduce an online version of the software that would allow bidding information to be provided over the Internet.

--JEFF DERUITER

VENDOR VITTLES

ID SYSTEMS (SEPTEMBER 1998) NEW RFID WEBSITE

In Business, keeping up with the Joneses means that you don't let your competitors leave you in the dust. Ideally, you make the Joneses keep up with you. Which is one good reason why you might want to log onto the RFID Website recently introduced by Pittsburgh-based AIM. (Short for "Automatic Identification Manufacturers," AIM is the name of the international trade association for manufacturers, suppliers, integrators, and users of automatic identification systems.)

RFID, which stands for radio frequency identification, is hot and getting hotter every month. With both the price and size of RFID equipment shrinking steadily, the technology is becoming an increasingly attractive form of automated data collection, in some cases edging out bar code.

According to AIM, the new Website, at www.rfid.org, is one of a number of steps the organization is taking to spread the awareness of RFID. Items currently available on the Website include a primer of RFID technology, a glossary of terms, and an enrollment form for signing up for an upcoming RFID newsletter, which is slated to be published in an electronic format. Also planned are a buyer's guide, case studies, white papers, information on standards, and regulatory information. According to AIM, its members are collaborating on a global basis through RFID initiatives in Europe, the USA, and Japan.

--LEANNE SMULLEN

NOTES...NEWS...NONSENSE:

"DEFINITION OF WINDOWS 95: A 32-BIT EXTENSION AND GRAPHICAL SHELL FOR A 16-BIT PATCH TO AN 8-BIT OPERATING SYSTEM ORIGINALLY CODED FOR A 4-BIT CPU, WRITTEN BY A 2-BIT COMPANY THAT CAN'T STAND 1 BIT OF COMPETITION."

--JEFF DERUITER



TIME TO VOTE, COLLEGE FOOTBALL FANS

all is in the air...the smell of hotdogs and beer fill every Saturday afternoon...the golds, reds, and oranges are showing up everywhere. No, not leaves—school colors—It's college football season.

And speaking of college football, KSA has its own college football star. Don't believe it? Check out the following website (submitted by Greg Dugger) and, while you're there, vote for the man we all know as Supply Chain Services Principal, Chuck Easley.

http://www.ramblingwreck.com/contest/select.html

This website gives you the opportunity to vote for the greatest all-time game in GA Tech football history. Choice #6:

Clemson 21-GA Tech 28

Chuck Easley's one-yard dive in the final minute helped the Jackets snap the Tigers 20-game ACC win streak. The Jackets had raced to a 21-0 lead at halftime, only to see the Tigers come back to tie before Easley's score.

Congratulations, Chuck! You've got our vote.

--AMY BURNS

RULES FOR DRIVING IN ATLANTA

ome interesting comments on our favorite daily activity and helpful advice to those of you who may visit Atlanta anytime in the near future!

- 1-- A right lane construction closure is just a game to see how many people can cut in line by passing you on the right as you sit in the left lane waiting for the same jerks to squeeze their way back in before hitting construction barrels.
- 2-- Turn signals are just clues as to your next move in a road battle so never use them.
- 3-- Under no circumstances should you leave a safe distance between you and the car in front of you no matter how fast you're going. If you do, the space will be filled in by somebody else putting you in an even more dangerous situation.
- 4-- Large SUV drivers think they're immortal, (especially if they have 4WD); don't succumb to the temptation to test this theory.
- 5-- The faster you drive through a red light, the smaller the chance you have of getting hit.
- 6-- Never get in the way of a car that needs extensive bodywork. (Remember no-fault insurance, he might not have much to lose, you do.)
- 7-- Braking is to be done as hard and late as possible to insure that your ABS kicks in giving a nice relaxing foot massage as the brake pedal pulsates.
- 8-- Construction signs tell you about road closures immediately after you pass the exit before the traffic begins to back up.
- 9-- The new electronic traffic warning system signs are not there to provide useful information, just to make Atlanta look high-tech.
- 10-- Never pass on the left when you can pass on the right. It's a good way to scare people entering the highway.
- 11-- Speed limits are arbitrary figures, given only as suggestions and apparently not enforceable in the metro area during rush hour.
- 12-- Just because you're in the left lane and have no room to speed up or move over doesn't mean that an Atlanta driver flashing his high beams behind you doesn't think he can go faster in your spot.
- 13-- Please remember that there is no such thing as a shortcut during rush-hour traffic in Atlanta.
- 14-- Always slow down and rubberneck when you see an accident or even a person changing a tire. It might be more interesting than the articles in last week's National Enquirer.

- 15-- Throwing litter on the roads adds variety to the landscape, keeps the existing litter from getting lonely and gives Adopt-a-highway crews something to clean up.
- 16-- Everybody thinks their vehicle is better than yours, (especially pickup truck drivers with stickers of Calvin peeing on a Ford, Dodge or Chevy logo).
- 17-- Learn to swerve abruptly. Atlanta is the home of high-speed slalom driving thanks to GDOT, which puts potholes in key locations to test drivers' reflexes and keep them on their toes.
- 18-- It is traditional in Atlanta to honk your horn at cars that don't move the instant the light changes. This is a drag race isn't it?
- 19-- When the light turns green, put the pedal to the metal; gas is cheap in Atlanta, pollution is a myth, and this is a drag race isn't it?
- 20-- Seeking eye contact with another driver revokes your right of way.
- 21-- Never take a green light at face value. Always look right and left before proceeding.
- 22-- Remember that the goal of every Atlanta driver is to get there first, by whatever means necessary.

AND DON'T FORGET! YOU MIGHT AS WELL STAY AT HOME IF IT'S RAINING OR SNOWING - OR SUNNY FOR THAT MATTER!

Corollaries to the rules:

- A) Corr. to Rule 21: Rule 21 contradicts rule 19 only in your mind. Think bigger. Think what the guy behind you is thinking. Refer to Rule 18 for more info.
- B) Corr. to Rule 21: Never take a red light at face value. Remember, you can squeeze a minimum of 9 cars through a "new red" before the opposing traffic gets their green, steels their nerves and starts moving.
- C) Corr. to Corr. B: Possession is nine tenths of the law: Get out there and block that intersection in heavy traffic lest your light turns red and you lose your place in line.
- D) Corr. to Rule 2: If someone signals to change into your lane in heavy traffic, close in on the car in front of you to give the other car plenty of room *behind* you. He will appreciate the gesture. You might even get the friendly one-finger wave in return.

Tips for out of town driving:

Most other places expect you to be "polite" and "helpful" in traffic. Feel free to show them where you're from by laughing maniacally as you cut them off, but remember that most motorists in California are armed.

--MIKE JENKINS

HAPPY BIRTHDAY

Ike Myers	9/7
Scott Vifquain	9/8
Mark Woodrow	9/9
Valerie Levy	9/10
Dana Yaccarino	9/10



Raj Kumar 9/7/88 Brad Jenkins 9/7/95

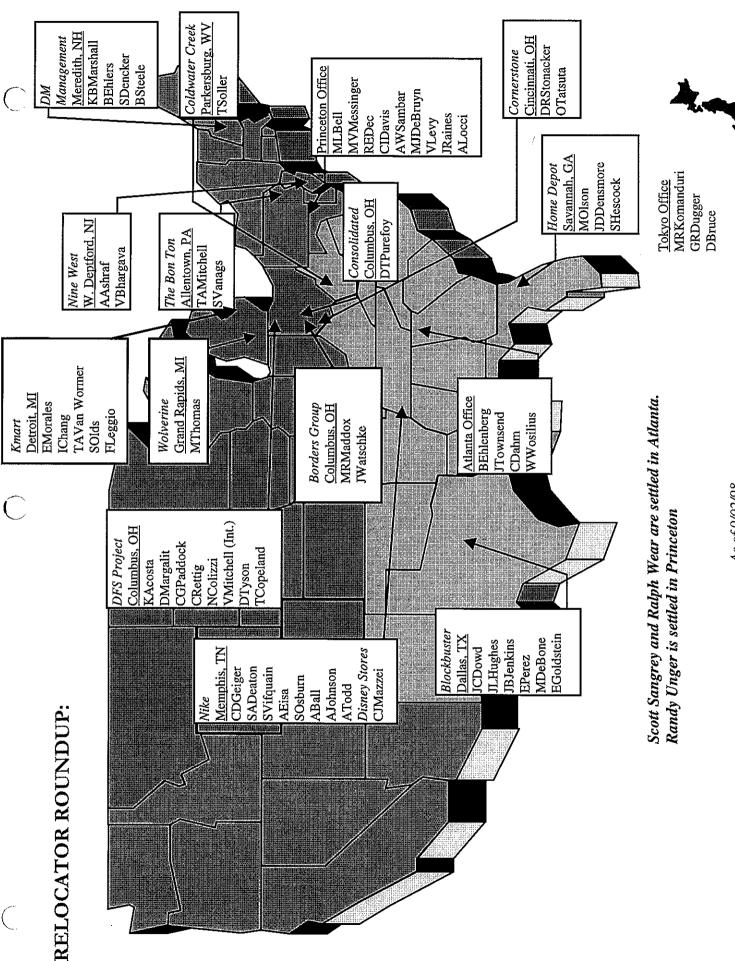
Another Prescription for Success

Judith Bardwick, a management consultant and professor at the University of San Diego, recently wrote a book called *In Praise of Good Business*. Her last book, *Danger in the Comfort Zone*, was a hot business book a few years ago.

Dr. Bardwick recommends nine practices to use in creating a work environment that achieves results.

- 1. Create a sense of urgency: People need a reason to act. By pointing out competitive pressures, market conditions, or some potential compelling loss or gain, we can mobilize people.
- 2. Exhibit leadership: Once people are mobilized, they need direction and inspiration. Determine and communicate clearly what needs to be done. Work to align differing groups behind shared goals. Then model the behaviors you expect from others: integrity, respect, innovation, and persistence. Discern when to delegate and when to act yourself.
- 3. **Focus on the company's purpose:** Find the activities that add value and redirect efforts there. Set priorities and reward results. Eliminate unnecessary tasks.
- 4. Encourage people to collaborate: Leverage people's relative strengths by giving them mutual goals, creating forums for sharing ideas and updates. Use teams when appropriate.
- 5. **Select the right people:** Choose people who hold your values. You can teach people skills. It is hard to teach people character.
- 6. Exploit methods to achieve goals: Beware of making the methods the goal. Harley Davison CEO, Rich Teerlink, once said, "If you empower dummies, you get bad decisions faster." Rigorously challenge whether your methods are achieving your intended outcomes.
- 7. Establish trust: Communicate simply and honestly. Be consistent. Show respect. Follow through on commitments.
- 8. Explain your commitment to people: Provide realistic parameters for your relationship. Tell people where they stand and what the consequences are for success and non-performance.
- 9. Celebrate success generously: Recognize people for their contributions. Make it meaningful for the actual people involved. Some love being acknowledged in front of a crowd. Others would hate it. Some people want money. Others want more challenge, a day off, or concert tickets. Find what your people enjoy.

--PAM BECKERMAN



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Logistics Services Group

QUOTE OF THE WEEK:

"You can't have everything. Where would you put it?"

--STEVEN WRIGHT

RECENT REQUESTS

PURCHASE ORDER ADMINISTRATIVE COSTS

s part of one of the many projects we are currently doing at Kmart, we are in need of an industry average cost for the issuance and administering of a purchase order (hardlines). We are focusing on the hardlines side of Kmart's business and need the PO cost/SKU as part of a benefits model we have developed.

Basically, we need the **cost of a PO broken down from a time standpoint**. For example, we would need the time it takes for the following tasks:

- Keying in information for the creation of a PO
- PO review by personnel type
- Re-keying of changed PO information post review
- Import tracking of PO (where applicable)
- DC tracking time

We also need purchase order overhead costs for the following (on a per PO basis):

- Brokerage costs (imports)
- EDI fees

If anyone has completed or has knowledge of any project work, industry studies, benchmarking data on the above information, we would greatly appreciate your response.

--KMART 3RD TIER PROJECT TEAM

PHYSICAL INVENTORY PROCEDURES WITH PKMS

client has requested that we provide information on how other companies coordinate physical inventory procedures using RF with their WMS. Any information regarding the coordination of physical inventory within PkMS would be most helpful, but non-PkMS examples would also be useful. Inventory procedures for case inventory in reserve storage, unit inventory in active storage, and GOH storage will need to be developed for this particular client.

-- TODD SOLLER

GEEK OF THE WEEK

FRANK LEGGIO



"People who live in glass houses... shouldn't publish Leggio Awards."

rank Leggio for Geek of the Week! While developing an Excel / Access model to determine if a slow moving SKU should be warehoused in 14 DCs or 4 DCs, we have had several discussions on how many digits to show after the decimal point when presenting inventory savings, transportation, and handling savings (costs). The initial spreadsheet model (before we went high-tech and put it in Access), showed 5 or more digits after the decimal. We have now rounded to dollars. Nevertheless, long after we are gone, the employees in Kmart's logistics group will look up from their desks periodically. They will do so because of the eerie sense that a cold, foreboding entity has just passed their cube. It will be the ghost of Frank Leggio, chanting, "a millionth of a penny saved is a millionth of a penny earned."

--JAN WATSON

CLIENT QUOTE OF THE WEEK

"Twenty-four hours in a day. Twenty-four beers in a case. Coincidence? I think not!"

-JEFF HAVEMAN WOLVERINE WORLD WIDE ENGINEER

--Submitted by Mark Thomas

(Publisher's Note: Thanks, Mark, for the idea of including a client quote of the week. I'm sure Mark is not the only KSAer who works with a client who constantly keeps you laughing or imparts their years of wisdom to you on a daily basis. Let us hear from them! Send your "Client Quote of the Week" to Amy Burns by Wednesday of each week to be included in the Hotsheet.)

NOTES...NEWS...NONSENSE:

Primer on Employment Law

ince you lead teams of KSA or client staff, I thought it would be useful for you to have a quick overview of key employment legislation. The over-riding theory is that decisions about people must be based on objective, performance related factors. Here is a sound bite on the basic laws:

- Title VII of the Civil Rights Act prohibits discrimination in employment based on sex, race, color, religion, and national origin. Prohibitions on sexual harassment fall under this act.
- Age Discrimination in Employment Act prohibits discrimination against individuals 40 years of age or older
- Equal Pay Act Requires equal pay for equal work regardless of sex
- Fair Labor Standards Act -Sets forth rules for wages, breaks, payroll reporting and overtime.
- Americans with Disabilities Act Prohibits discrimination against individuals with disabilities. Requires reasonable accommodations to those who are able to perform essential duties
- Family Leave Act Employees with one or more years of service may take a leave of up to 12 weeks for family or medical reasons (e.g., birth, adoption, life threatening illness or injury)

Give me a call if you have any questions.

--PAM BECKERMAN

HICKPHONICS —PART I
(Continued from August 21 edition)

A

LL - noun. A petroleum-based lubricant.

Usage: "I sure hope my brother from Jawjuh puts all in my pickup truck."

FAR - noun. A conflagration.

Usage: "If my brother from Jawjuh don't change the all in my pickup truck, that thang's gonna ketch far."

TAR - noun. A rubber wheel.

Usage: "Gee, I hope that brother of mine from Jawjuh don't git a flat tar in my pickup truck."

TIRE - noun. A tall monument.

Usage: "Lord willin' and the crick don't rise, I sure do hope to see that Eiffel Tire in Paris sometam."

RETARD - Verb. To stop working.

Usage: "My grampaw retard at age 65."

FAT - noun, verb.

1. a battle or combat. 2. to engage in battle or combat.

Usage: "You younguns keep fat'n, n' ah'm gonna whup y'uh."

RATS - noun. Entitled power or privilege.

Usage: "We Southerners are willin' to fat for are rats."

FARN - adjective. Not local. Usage: "I cuddint unnerstand a wurd he sed....mus' be from some farn country."

DID - adjective. Not alive.

Usage: "He's did, Jim."

EAR - noun. A colorless, odorless gas: Oxygen.

Usage: "He cain't breathe....give 'im some ear!"

BOB WAR - noun. A sharp, twisted cable.

Usage: "Boy, stay away from that bob war fence."

HAZE - a contraction.

Usage: "Is Bubba smart?" "Nah....haze ignert. He ain't thanked but a minnit 'n 'is laf."

SEED - verb, past tense of "to see".

VIEW - contraction: verb and pronoun.

Usage: "I ain't never seed New York City....view?"

GUMMIT - Noun. A bureaucratic institution.

Usage: "Them gummit boys shore are ignert."

--PAM BECKERMAN

HAPPY BIRTHDAY

Stacy Bush 8/29 Joe Raines 8/31 Anika Ball 9/2

> August 28, 1998 Hotshee Page 4

the HOTSHEET

vol. 7 no. 50

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August 21, 1998

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Logistics Services Group

QUOTE OF THE WEEK:

Leanne Smullen

"Whatever you want to do, do it now. There are only so many tomorrows.

--MICHAEL LANDON

PROJECT POSTCARDS:



DM MANAGEMENT UPDATE

ay 344: Many wonderful things have occurred to our test subjects in the past few months. The native inhabitants, referred to as "locals", have undergone a remarkable transformation. Peace loving people by nature, they have become wild and crazy as the summer's heat thaws the usually frozen tundra. Birds long absent have started to make their return. One species in particular, the infamous Snowbird, has also returned. This bird is larger and older than other species. Amazingly enough they have adapted their wings to drive large motor homes. Unfortunately they grow slower and more annoying as they increase in age and wealth. No other animal has caused more anger in the "locals" than the Snowbird. Several other species have come and gone in the past months including "bikers" who partook in an annual ritual called Bike Week. Many hours of pleasant observation occurred during that time.

Day 375: The "locals" have taken me in as one of their own. They have taught me their native tongue as best they can. I now use the terms "wicked" and "corker" much more than I ever thought possible. Will I ever be able to speak my own language when I finish my research? One "local" spoke of an enormous monument being erected in honor of the "Direct Marketing" god in a place called Tilt-On. Apparently, they are near completion of the 367,000 square foot building. I find it difficult that these creatures could build such a thing, but I remain open-minded. I have been told that the elaborate conveyor system, some 3.6 miles in length, has been completed and is about to start acceptance testing. The 152,000 square foot structural mezzanine is also finished. Much of the storage rack has also been completed. The DM Management religion, which worships the "Direct Marketing" god, will start to place their offerings of women's apparel onto the monument within the month. My research colleagues, Suzanne Dencker and Barry Ehlers have been busily training the "locals" on the proper use of the magical equipment

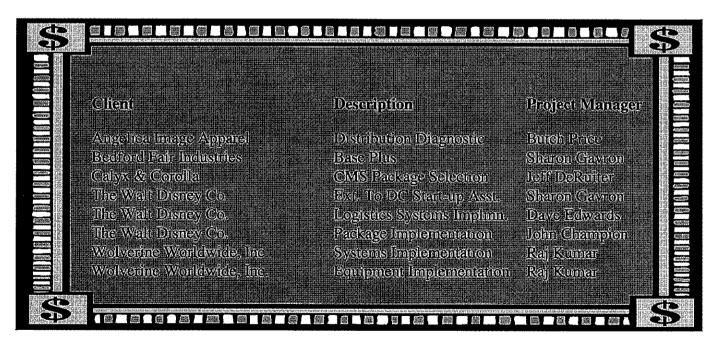
being installed in the building. Under the incomparable tutelage of our leaders, Chris Merritt and Bob Smith, we have maintained our schedule and are in a great position to open the doors this fall. Recently DM Management switched their belief system to a new WMS (PkMS) and CMS (Mozart) as well as adding a slew of other programs—all Y2K compliant and much more functional. DM Management was able to conduct the conversion with only minor drops in productivity (Packing is already 100% faster). With the conversion complete we have bid a heart felt farewell to Ben Strupp. We know he will miss us as well. Woody Ackerman and Doug Way will stay on board until we near the end of the project.

Day 381: Nothing out of the ordinary to report. Ate Lobster Salad sandwich for lunch AGAIN! I long for the calm days of winter to return. The solitude of ice diving waits for me. No more Snowbirds.

--K.B. MARSHALL

RECENT SALES

Below is a list of Period 7 Sales for the Logistics Department. If you have a sale, that is not listed or you find that there are variances in any of the information. Please contact Laura Legg as soon as possible. Congratulations to everyone who participated in each of these Sales!



--LAURA LEGG

WHEREHOUSE ENTERTAINMENT, INC. AGREES TO BUY BLOCKBUSTER MUSIC FROM VIACOM

ORRANCE, Calif., Aug. 11 /PRNewswire/ -- Wherehouse Entertainment, Inc. announced today that it has signed a definitive agreement to buy Blockbuster Music from Viacom for \$115 million in cash, subject to adjustments.

The transaction involves 378 Blockbuster Music stores in 33 states; these stores recorded in excess of \$500 million in revenue for the year ended December 31, 1997.

Tony Alvarez, Chairman and Chief Executive Officer of Wherehouse Entertainment, Inc., commented: "We are extremely excited about the Blockbuster Music acquisition. It will make Wherehouse one of the largest retailers in the United States specializing in pre-recorded music. Wherehouse has enjoyed a strong performance over the last year and one half. This acquisition offers us a great opportunity to build on our recent success and gives us entry into several key markets."

Wherehouse Entertainment, Inc., which currently operates 220 stores located in seven states, is engaged in the business of selling pre-recorded music and video products and other entertainment related products, as well as the rental of videocassettes and other products. As previously reported in its Annual Report on Form 10-K filed on May 1, 1998, Wherehouse reported net revenue of \$327.4 million for its fiscal year ended January 31, 1998.

--JEFF DERUITER

ATLANTA JOURNAL CONSTITUTION (11 AUGUST 1998) FRANKLIN MINT SAYS IT IS NOT FOR SALE

ranklin Mint Corporation, the world's largest marketer of collectibles, Monday denied reports the mint is for sale.

Mona Liss, a spokeswoman for the mint, denied reports the Delaware County, PA company had fired Donaldson, Lufkin & Jenrette, a New York investment banking firm, to market the privately held mint.

"Normally, we do not comment on rumors, but the statements, as printed, are untrue," said Liss.

The New York Post on Monday reported the owners of the Franklin Mint, Stewart and Lynda Resnick, wanted to sell the company because they had grown tired of its legal troubles.

The paper, citing unnamed sources, said the company could sell for as much as \$1 billion.

In May, the estate of Princess Diana filed suit in Los Angeles to block Franklin Mint from profiting on its Diana keepsakes.

The Post said Lynda Resnick, who has held various posts on several high-profile museum boards in Philadelphia, New York, and Los Angeles, was eager to sell because the legal problems were "distasteful to her socialite friends."

Last year, Franklin Mint, in Franklin Center, reached an undisclosed settlement with golfer Tiger Woods after he sued the mint, claiming it improperly used his image on a bronze medal commemorating his 1997 Masters tournament victory.

--NICOLE JONES

NOTES...NEWS...NONSENSE:

THE WORLD'S SHORTEST BOOKS:

- 25. "My Plan to Find the Real Killer" by O J Simpson
- 24. "To All the Men I've Loved Before" by Ellen DeGeneres
- 23. "The Book of Virtues" by Bill Clinton
- 22. "The Difference between Reality and Dilbert"
- 21. "Human Rights Advances in China"
- 20. "Things I Wouldn't Do for Money" by Dennis Rodman
- 19. "Al Gore: The Wild Years"
- 18. "Amelia Earhart's Guide to the Pacific Ocean"
- 17. "America's Most Popular Lawyers"
- 16. "Career Opportunities for Liberal Arts Majors"
- 15. "Detroit-A Travel Guide"
- 14. "Different Ways to Spell 'Bob""
- 13. "Dr. Kervorkian's Collection of Motivational Speeches"
- 12. "Easy UNIX"
- 11. "Ethiopian Tips on World Dominance"
- 10. "Everything Men Know About Women"
- 9. "Everything Women Know About Men"
- 8. "French Hospitality"
- 7. "George Foreman's Big Book of Baby Names"
- 6. "How to Sustain a Musical Career" by Art Garfunkel
- 5. "Mike Tyson's Guide to Dating Etiquette"
- 4. "One Hundred and One Spotted Owl Recipes" by the EPA
- 3. "Staple Your Way to Success"
- 2. "The Amish Telephone Directory"

And the number 1 World's Shortest Book is a tie between:

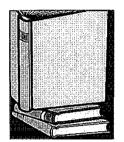
"The Engineer's Guide to Fashion" and

"The Consultant's Fear of Flying Handbook"

--LEANNE SMULLEN

HICKPHONICS -PART I

he Atlanta School Board, sensing that Oakland is about to cash in by labeling
African American slang as the language "Ebonics," has decided to pursue some of the
seemingly endless taxpayer pipeline through Washington by designating Southern slang,



or "Hickphonics," as a language to be taught in all Southern schools. A speaker of this language would be a Hickphonic. The following are excerpts from the Hickphonics/English dictionary:

HEIDI - noun. Greeting.

HIRE YEW - Complete sentence. Remainder of greeting.

Usage: Heidi, hire yew?"

BARD - verb. Past tense of the infinitive "to borrow."

Usage: "My brother bard my pickup truck."

JAWJUH - noun. The State north of Florida. Capitol is Lanner.

Usage: "My brother from Jawjuh bard my pickup truck."

BAMMER - noun. The State west of Jawjuh. Capitol is Berminhayum.

Usage: "A tornader jes went through Bammer an' left \$20,000,000 in improvements."

MUNTS - noun. A calendar division.

Usage: "My brother from Jawjuh bard my pickup truck, and I ain't herd from him in munts."

BARE - noun. An alcoholic beverage made of barley, hops, and yeast.

Usage: "Ah thank ah'll have a bare."

THANK - verb. Ability to cognitively process.

Usage: "Ah thank ah'll have a bare."

IGNERT - adjective. Not smart. See "Arkansas native."

Usage: "Them Bammer boys sure are ignert!"

RANCH - noun. A tool used for tight'nin' bolts.

Usage: "I thank I left my ranch in the back of that pickup truck my brother from Jawjuh bard a few munts ago."

RINCH - a verb. Use klane water to git the soap off'a or outta sumpthin' Usage: "Let me jist rinch out this here cup and parr ya some coffee."

ALL - noun. A petroleum-based lubricant.

Usage: "I sure hope my brother from Jawjuh puts all in my pickup truck."

--PAM BECKERMAN

THE AUGUST LEGGIO AWARDS

Thrifty Shopper Award



his award goes out to Iris Chang who actually found over \$3000 worth of clothing to purchase in a single weekend. I don't think she is shopping the client.

Logistics Relocator Wanna-Bes Award

Chris Port of PEG is earning his second Leggio award this week along with Allen Robinson. Chris has been showing his true colors as he moves from his apartment here in search of another. Chris and Allen had a minor incident of recently where their apartment become an indoor pool. Fortunately nothing of their possessions were damaged. However, Chris is on the move in Michigan. One day soon we hope he admits his desire to become a full time relocator.

Mrs. Vegas Award

I will have to take a share of this award as Shawn Olds and I (excuse me, we) bought what will probably be the most expensive buffet of our lives this past weekend in Windsor, Canada. During a recent gambling outing, Shawn and I contributed significantly to the Canadian GNP. It was a very good buffet, though we now recommend paying at the restaurant instead of at the tables. It is much cheaper if you do.

Anyone wanting to submit someone for a Leggio award can e-mail me with the story. Names will not be changed to protect the innocent.

--FRANK LEGGIO

IT'S THE LITTLE THINGS THAT COUNT

n terms of respect and courtesy, it's important to pronounce client names correctly. Make the effort to confirm proper pronunciation and make a note to yourself if necessary.

This courtesy works both ways, and in-house there is a simple way to confirm the correct pronunciation of your name as well as your common-name use: record your own voicemail name. For example, by hearing the voicemail name recording, one could confirm whether James Brad Koester goes by James, or Jim, or Jimmy, or Brad, or J.B., and that his last name sounds like keester. Support staff setting up voicemail boxes for new staff often don't have the correct information, so take a minute to record your own. It's this quick and simple:

Enter your voicemail box Press 16 to initiate custom options Press 8 to record name for mailbox

Related, to record your Personal Greeting: Enter your voicemail box Press 4 to access greeting Press 6 to record greeting

--CASSANDRA WHITCOMB

HAPPY BIRTHDAY

Bob Smith 8/23 Lynn Spuhler 8/26 Chris Rettig 8/26

vol. 7 no. 49

August 14, 1998

Publisher: Amy Burns

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Editor: Leanne Smullen

QUOTE OF THE WEEK:

"The longer the island of knowledge, the longer the shoreline of wonder."

--RALPH W. SOCKMAN

PROJECT POSTCARDS:



UPDATE FROM BORDER'S

The Border's Base Plus® project team finds our numbers dwindling as we near the goal line. Matt Prevost has departed for Northwestern's MBA program. Mike Kozlowski, one of Border's client engineers (and a key player on the KSA Wednesday night soccer team) has transitioned into his new role in their Nashville facility. Matt Maddox is preparing to reduce his role to two days a week (and whose aggressive style of play on the soccer team won't be missed). Jon Watschke will complete the project as the only KSAer on-site full-time, and he'll have Border's sole remaining engineer, Tom Zahnhiser, to assist him.

The project team has made great progress to date, however, and will complete the project on time and within the budget. Almost 50% of the employees in the facility are on standard, and only the Sortation and Warehousing areas remain on our schedule. The results have been spectacular and have exceeded even Border's high expectations. Recent visits by Border's Vice President of Distribution, Pat Murphy, and Director of Engineering, Mani Krishna, re-emphasized Border's commitment to Base Plus® in all their facilities.

More importantly, the KSA team and the Columbus DC manager, Kevin Murphy, have hatched a brilliant strategy for increasing turns, reducing inventory, and saving the world in one bold stroke. After analyzing on-hand stock, the DC manager estimates that Borders has a 200-year backlog of Kenny G tapes and CD's. We also noted that after Frank Sinatra's passing, sales of his music boomed. If Kenny G is eliminated, his death will spark a run on his music, possibly even revitalizing the entire elevator music genre. The only question that remains: How? We're certainly not advocating murder - but if Kenny G could be placed in a life-threatening situation... (Publisher's Note: The opinions expressed in this postcard do not necessarily represent the views, opinions, or beliefs of the Hotsheet and/or the KSA Logistics Department. All e-mail confirming or denouncing the author's views should be directed to him and not the Hotsheet.)

--JON WATSCHKE

VENDOR VITTLES

SUPPLY CHAIN REPORT, AUGUST 6, 1998 COLLABORATING ON FORECASTS NEXT STEP IN SUPPLY CHAIN

ost collaboration between trading partners today involves swapping transaction documents online. But getting the most out of a supply chain relationship will require buyers and seller to coordinate supply and demand expectations.

Online cooperative planning reduces guesswork on both sides, says Larry Lapide, research director of supply chain planning for Boston-based AMR Research. Through such planning, suppliers know the level of demand their products will face and retailers can keep less inventory without running out of stock.

"Two heads are better than one and it's in the interest of both to figure out what the customer wants off the shelf, " Lapide says.

Still, most retailers and manufacturers are not ready to open up their planning processes to full collaboration. Nearly all collaborative planning projects still are in the pilot phase and involve large national retailers and supplier - such as Nabisco and Wal-Mart, Lapide says.

"This is a change in the way we do business," Lapide says. "Right now we're in the experimental stage."

A survey of US corporations by Cambridge, MA - based Forrester Research shows 50 percent of respondents share inventory and capacity data with supply chain partners. Only 30 percent share demand histories and forecasts.

Syncra Software is betting the leap into online planning collaboration won't be long as companies embrace other supply chain automation technologies.

The benefits of improving forecast accuracy through planning collaboration will be obvious to most businesses, says Richard Sherman, Syncra senior vice president of customer development.

"We're just at the edge of awareness of what technology can do to support [business processes]," Sherman says.

The Cambridge, MA - based software developer is readying a product, expected to be released in September, that will allow suppliers and retailers to compare their demand forecasts and production plans.

August 14, 1998 Hotsheet Page 2 To boost collaboration, buyers and suppliers need software that lets them change forecasts, alert managers when forecasts clash and monitor processes, Lapide says.

Syncra's software - Syncra Ct - links planning software among merchants and lets each supply chain partner view product forecasts and alter plans online. The software, which will cost between \$50,000 and \$150,000 depending on the number of partners involved in the installation, is in pilot tests now. Sherman would not disclose companies that are testing the software.

As a fledgling firm, Syncra must do a lot of work to educate the market about the benefits of collaboration technology.

The greatest obstacle to collaboration is the way suppliers and retailers view each other. The buyer-seller relationship takes on an adversarial tone when players try to nickel-and-dime a good deal out of each other. Buyers and sellers need to regard each other with more trust before they can collaborate on production and shipment plans, Lapide says.

Also, collaboration gets tricky when retailers and suppliers are working with different - and competing - planning systems.

Teaming with other supply chain technology vendors will be critical for Syncra to overcome both issues. Syncra has announced licensing deals with Atlanta-based Logility, Inc., a developer of planning software for manufacturers, and QRS Corp, a Richmond, CA-based provider of supply chain automation services.

By integrating its collaboration software with other supply chain technologies, Syncra could get its foot in the door of companies open to automating their trading relationships.

Vendors working on planning collaboration technology include developers of advance planning software, such as Rockville, MD-based Manugistics, to enterprise resource planning system vendors, such as Waldorf, Germany-based SAP. But Syncra is one of the few to develop a vendor-neutral product, Lapide says.

"Different trading partners have different approaches to planning. For supply chain management to occurs efficiently, plans must be synchronized," Sherman says.

"The capability to integrate two information systems allows information stores to be compared."

--STEPHANIE O'NEAL

NOTES...NEWS...NONSENSE:

Managing Your Career

omeone sent me a book entitled 175 Ways to Advance Your Career by Don Kennedy. Here are some of the better suggestions:

- Identify what you are good at and enjoy. Pick an area that enables you to use those strengths and interests and become excellent at them.
- Produce results. Build a record of tangible accomplishments for which you are responsible.
- Believe in yourself. Don't create imaginary limitations about how far you can rise and what you can achieve.
- Don't wait around and hope that the right thing is going to happen for you. Be proactive. Make things happen.
- Keep learning. Take advantage of classes being offered. Read. Observe. Inquire.
- Immediately solve problems that occur before they get worse. Believe there is a solution to every problem and ask others for input.
- Fight for your beliefs, but pick your battles carefully. Confront people privately.
- Accept and learn from criticism.
- Learn how to read others' body language and be careful to control your own. Remember that how you say something usually carries more weight than what you say.
- Maintain a sense of balance between your career and the other important areas of your life.

--PAM BECKERMAN

ARE YOU FEELING OLD TODAY?

If not, consider this (I must warn you, though, this can be scary!)

The people who are starting college this fall across the nation were born in 1980.

They have no meaningful recollection of the Reagan era, and did not know he had ever been shot.

They were pre-pubescent when the Persian Gulf war was waged.

Black Monday 1997 is as significant to them as the Great Depression.

There has only been one Pope. They can only really remember one president.

They were 11 when the Soviet Union broke apart, and do not remember the Cold War.

They have never feared a nuclear war. "The Day After" is a pill to them, not a movie.

CCCP is just a bunch of letters.

They have only known one Germany.

They are too young to remember the Space shuttle blowing up, and Tienamin Square means nothing to them.

They do not know who Momar Qadafi is.

Their lifetime has always included AIDS.

They never had a Polio shot, and likely, do not know what it is.

Bottle caps have not only always been screw off, but have always been plastic.

They have no idea what a pull top can looks like.

The expression "you sound like a broken record" means nothing to them.

They have never owned a record player.

They have likely never played Pac Man, and have never heard of Pong.

Star Wars looks very fake and the special effects are pathetic.

There has always been Red M&M's, and Blue ones are not new.

What do you mean there used to be beige ones?

They may have heard of an 8-track, but chances are they probably have never actually seen or heard one.

The Compact Disc was introduced when they were 1 year old.

As far as they know, stamps have always cost about 32 cents.

Zip codes have always had a dash in them.

They have always had an answering machine.

Most have never seen a TV set with only 13 channels, nor have they seen a black and white TV. They have always had cable.

There have always been VCR's, but they have no idea what Beta is.

They cannot fathom not having a remote control.

They were born the year that the Walkman was introduced by Sony.

Roller-skating has always meant inline for them.

The Tonight Show has always been with Jay Leno.

They have no idea when or why Jordashe jeans were cool.

Popcorn has always been cooked in a microwave.

Thy have never seen and remember a game that includes the St. Louis football Cardinals, the Baltimore Colts, the Minnesota North stars, the Kansas City Kings, the New Orleans Jazz, the Minnesota Lakers, The Atlanta Flames, or the Denver Rockies (NHL Hockey, that is. They do not consider the Colorado Rockies, the Florida Marlins, the Florida Panthers, the Ottawa Senators, the San Jose Sharks or the Tampa Bay Lighting "expansion teams."

They have never seen Larry Bird play, and Kareem Abdul-Jabbar is a football player.

They never took a swim and thought about Jaws.

The Vietnam War is as ancient history to them as WWI, WWII or even the Civil War.

They have no idea that Americans were ever held hostage in Iran.

They can't imagine what hard contact lenses are.

They don't know who Mork was or where he was from.

They never heard the terms "Where's the beef?" "I'd walk a mile for a Camel" or "de plane, de plane".

They do not care who shot J.R. and have no idea who J.R. is.

The Cosby Show, the Facts of Life, Silver Spoon, the Love Boat, Miami Vice, WKRP in Cincinnati, and Taxi are shows they have likely never seen.

The Titanic was found? I thought we always knew where it was.

Michael Jackson has always been white.

They cannot remember the Cardinals ever winning a World Series, or even being in one.

Kansas, Chicago, Boston, America, and Alabama are places, not groups.

McDonalds never came in Styrofoam containers.

They didn't know people used to ride their bicycles WITHOUT HELMETS!!!!!

Do you feel old now? Remember, the people who don't know these things will be in college this year.

--MIKE JENKINS

HAPPY BIRTHDAY

Ralph Wear	8/16
Michael DeBruyn	8/18
Priscilla Jorgensen	8/20
Dan Stonaker	8/20



Allen Robinson 8/14/95 Lisa Hall 8/16/95 Melissa McPhail 8/19/96

the HOTSHEET

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QUOTE OF THE WEEK:

"The Factory of the future will have only two employees, a man and a dog. The man will be there to feed the dog. The dog will be there to keep the man from touching the equipment."

-- WARREN BENNIS
AUTHOR AND DISTINGUISHED
PROFESSOR OF BUSINESS ADMINISTRATION
UNIVERSITY OF SOUTHERN CALIFORNIA



PROJECT POSTCARDS:

NEW FOLKS AT NIKE

he Nike team would like to welcome Anika Ball, and Andy Johnson to KSA. They both had their first day at the July 13 orientation, and liked what they saw so they decided to stay for a while.

Anika comes to us fresh from the University of Michigan where she just graduated with her degree in Industrial Engineering. She was originally from a small town in California (San Francisco), but has called Ann Arbor Michigan home for the past six years. She enjoys reading, shopping, cooking, and will enjoy attending Nike giveaways. She is currently teaching Cameron all about DCs, and I must say, Cameron is making great progress. Welcome Anika!

Andy is a recent graduate of Purdue where he also studied Industrial Engineering. He is from the thriving metropolis of Blue Earth, Minnesota (pop. 3562, 367 cats, and 489 dogs). He enjoys golfing, racquetball, whitewater rafting, KSA orientation and watching all sports. He will be assisting Ash with testing, and he will be planning Giveaway strategies for the entire Nike team. Welcome Andy!

--STEVE OSBURN

RECENT REQUESTS

HELP ON INVENTORY RETURNS

e are currently working with Jusco, one of the largest discount retailers in Japan, and we need to get some estimates from some of KSA's clients on annual inventory turns for apparel or household items. This inventory turn number should not include items and volumes that are cross-docked, but only include SKUs where inventory is held and then replenished to stores.

This would most likely come from a manufacturer who maintains inventory to fulfill demand on product, but it could also be a retailer (who holds inventory to replenish product or a direct mail company).

Please identify mix (percentage) of import vs. domestic sources, as this will impact inventory turns. Also, if inventory replenishment is focused on basics or includes all types of items, indicate that.

Of course, client names will be kept confidential; only type of company, type of product, mix of import/domestics, and inventory turns will be revealed.

Answers will be forwarded to Leanne Smullen and the BOK for future use by everyone. If you don't have all of this detail, just send me what you have.

--KARL SWENSEN

CONTACTS AT DILLARDS AND MAYCO.

I'm working on a project for LS&Co collecting freight terms information via a survey sent to a group of retailers. In doing so, we are including Dillard's and MayCo. Unfortunately, the people we contacted did not want to disclose any information, although all manufacturer and retailer names would be kept confidential. Perhaps, because we have not worked directly with them.

If you have a contact, whom you think would be able to help us please forward his/her name, area of responsibility, and phone number.

If you have any questions, please feel free to call me at the LAO (310) 337-2772.

--RICK SANQUI

YANTRA IMPLEMENTATION

'm searching for anyone with WMS-Yantra experience. Documentation on interfaces, testing, set-up requirements, implementation timelines, training requirements, etc would be appreciated.

--MARC BESSHO

IN THE SPOTLIGHT



ROD WEST



Professional Information

- 1. Area(s) of Specialization w/in KSA: Worked on projects in all logistics services however, an area of focus has been process and performance improvement
- 2. Other Skills/Professional Accomplishments: Atlanta University Center Campus Exec. / KSA Logistics Performance Conference
- 3. Work Experience Prior to KSA: None
- 4. Current Client: Kmart / Distribution Fulfillment Services
- 5. List of Major Client Assignments (name only)

Uptons Department Stores Liz Claiborne

Waldenbooks Chadwick's of Boston

Myer Direct Royal Doulton, USA

Federated Department Stores Inc.

Academy Corporation

Federated Department Stores, Inc Academy Corporation

Haggar Clothing Company Nike
Distribution Fulfillment Services, Inc Kmart

Personal Information

1. Place of Birth: Savannah, GA

2. Married, Kids: No

3. Schools Attended: Clark Atlanta University / Georgia Tech

4. Hobbies: Golf / Walking / Decorating

5. Astrological Sign: Libra

- 6. **Most Interesting Client Assignment & Why:** There's always something interesting about every client. Waldenbooks first project and number & variety of KSAers on-site. Royal Doulton sponsors name was Rob West and his son's name was Roderick. My father's name is Robert. I got full cooperation there.
- 7. Worst Client Assignment & Why: All clients have presented a fair share of challenges, but none the team did not overcome.
- 8. Most Interesting Place Visited: Amsterdam
- 9. Favorite Quote: Life's what you make it, you can make excuses or make a difference!
- 10. **Biggest Regret:** Life's too short for regrets, however sometimes I wished I had stopped to smell the roses.
- 11. Most Unusual or Funniest Experience: Moonlighting as a singer in KSA training classes
- 12. If you could live anywhere, where would it be: Cancun
- 13. Frequent Flier Miles: 300K and climbing quickly
- **14. Favorite Movie: Recent--**The Gravedigger's Daughters (inspiration) / The Unusual Suspects (suspense) / Soul Food (family) / The Nutty Professor (comedy)
- 15. First Album (CD) Purchased: Michael Jackson's "Beat It" / Bootsie Collins (I think)
- 16. Tattoos (optional): No tattoos, but I do have a fraternity brand
- 17. **Any Other Information:** (i.e. that says something about who you are that you wouldn't mind sharing with the group.) Applying to Executive MBA Programs (Duke / Emory) through KSA Sponsorship.

NOTES...NEWS...NONSENSE:

COMMENTS FROM BACKPACKERS

ith Summer Vacation season upon us I sound this to be some good reading. These are actual comments left on Forest Service registration sheets and comment cards by backpackers completing wilderness camping trips:

"A small deer came into my camp and stole my bag of pickles. Is there a way I can get reimbursed? Please call."

"Escalators would help on steep uphill sections."

"Instead of a permit system or regulations, the Forest Service needs to reduce worldwide population growth to limit the number of visitors to wilderness."

"Trails need to be wider so people can walk while holding hands."

"Ban walking sticks in wilderness. Hikers that use walking sticks are more likely to chase animals."

"All the mile markers are missing this year."

"Found a smoldering cigarette left by a horse."

"Trails need to be reconstructed. Please avoid building trails that go uphill."

"Too many bugs and leeches and spiders and spider webs. Please spray the wilderness to rid the area of these pests."

"Please pave the trails so they can be plowed of snow in the winter."

"Chair-lifts need to be in some places so that we can get to wonderful views without having to hike to them."

"The coyotes made too much noise last night and kept me awake. Please eradicate these annoying animals."

"Reflectors need to be placed on trees every 50 feet so people can hike at night with flashlights."

"Need more signs to keep area pristine."

"A McDonald's would be nice at the trailhead."

"The places where trails do not exist are not well marked."

"Too many rocks in the mountains."

--MELISSA MCPHAIL

Building Trust

rust is a prerequisite to a smoothly operating and collaborative workplace. According to Jenny McCune in an article *Management Review* (July/August 1998), distrustful workers are less committed and effective than those who trust their managers. As we look to open a new DC or implement new performance standards, gaining the trust of target employees is key our success.

How is trust built? A poll by Manchester Consulting resulted in these insights:

TRUST BUILDERS	TRUST BUSTERS
Maintain integrity	Act inconsistently in what you say and do
Openly communicate vision and values	Seek personal gain above shared gain
Show respect for fellow employees as equal partners	Withhold information
Focus on shared goals more than personal agenda	Lie or tell half truths
Do the right thing regardless of personal risk	Be close-minded
Listen with an open mind	Be disrespectful to employees
Demonstrate caring compassion	Withhold support
Maintain confidences	Break promises

--PAM BECKERMAN

HAPPY BIRTHDAY

Jana Hughes 8/7
David Edwards 8/11
Scott Daughdril 8/13



Faith Cox 8/11/87 Melissa Olson 8/12/96

the HOTSHEET

vol. 7 no. 47

Editor:

July 31, 1998

Publisher: Amy Burns

Leanne Smullen

Published by KSA Atlanta

Logistics Services Group

QUOTE OF THE WEEK:

"MISQUOTATIONS ARE THE ONLY QUOTATIONS THAT ARE NEVER MISQUOTED."

--HESKETH PEARSON

PROJECT POSTCARDS:



HAIL AND FAREWELL FROM BLOCKBUSTER

he Blockbuster project team would like to welcome two new additions to one of the longest running projects in KSA. Tucker Davidson joins Scott Sangrey and Chris Dowd as the former military contingent on the project. Tucker was a flight instructor in the Marine Corps, and spent several years in Texas. Hopefully that prepared him for this 100-degree heat and drought we've been experiencing lately. Megan DeBone joins KSA from Purdue University, where she majored in Chemical Engineering. The Notre Dame-Purdue game this fall should spark a fierce intra-team rivalry!

On a much sadder note, we must bid a fond farewell to two team members. Eddie Perez is leaving Blockbuster on July 31st after spending a year on the team (which actually makes him one of the junior members of the team, believe it or not!). Eddie made significant contributions to our testing and implementation efforts, always maintaining a positive attitude and flexible approach to a pretty demanding schedule. His professionalism and friendship will be missed. Whitney Herrin will be returning to Purdue on August 7th, after spending a two and a half-month internship with us. Her enthusiasm and dedication have had a very positive impact on the team, and she's left quite an impression with the associates she worked with on the floor. All team members hope to have the chance to work with Whitney again next year after graduation. You never know -- she could return to Blockbuster next summer for her first project! Both Eddie and Whitney will be greatly missed. The team of Jana Hughes, Scott Sangrey, Brad Jenkins and Chris Dowd wish them all the best.

--CHRIS DOWD

DFS UPDATE

ello again from **DFS Inc.**, home of the *TeamShare Plus* project in Columbus, OH. Our two teams have been hard at work in both their Retail and Catalog buildings implementing standards and generally changing the way this organization manages their people and their business. NJCollizi's and CGPaddock's trip to Atlanta for MOC training could not be any timelier. Here is how we have been doing at the Groveport - Catalog building since our last update:

- 1) Returns Examining Operations We installed seven different standards ranging from hanging garments to shoes for 110 associates (off-peak numbers). Our difficulty (as with all standards of this type) was to time study procedures that could be enforced once the engineering team left. One key to our success was implementing a strict accuracy requirement. Since installation, productivity is up and accuracy is up a full percentage.
- 2) Packing (Singles and Multi-Pack) We also implemented standards for all of the single item packers and the multiple-item packers working their tilt tray sorter. DFS management throughout the facility generally thought that the packing team was already a very efficient team and that we would see only a nominal gain in productivity. Productivity for the Packing operations (100+ Associates) is now up over 20% compared to what is was just a few months back! The scheduler program that assigns a volume of work to each packer now averages over 100% for the first time in the history of the business here at Groveport.

Currently savings for the Groveport building have accumulated to over 2 million dollars annualized compared to their productivity last year. We are off to a great start, but still have a long way to go. We are scheduled to be here through March 1999.

We have welcomed Charlie Voellinger aboard and he is hard at work for us in the Receiving Department. Charlie is an intern from Cornell and is rapidly being indoctrinated to the Columbus nightlife by the project teams.

Finally, the project teams have received a major boost from the TeamShare Plus newsletter that DFS produces. This newsletter is put out each week to for the Engineering team and the Management to provide direct answers to Associate questions about the program. Additionally, the President and Vice-Presidents (DC Managers) use the letter as a forum to discuss issues such as cynicism, automation replacing jobs and the need for TeamShare Plus to keep the facility moving forward. Please contact us if you are interested in obtaining examples of these for any of your projects.

--CHRIS PADDOCK

ANOTHER TIDBIT FROM THE WONDERFUL WORLD OF SAVANNAH...

e would like to welcome two new members to our team at **Home Depot**. First, our newest consultant, Steve (we have yet to come up with a nickname) Hescock came to us from Columbia University. On Steve's second day he was out on the floor timestudying in the Receiving department to gather information for a capacity model on which Prevost and Davis are working. His box-kicking skills improve every day.

Our second new member comes to us from the Savannah area to help organize The Home Depot COI (Continuous Operations Improvement) process. On Tina Heuell's first day, she brought out a picture of her former high school boyfriend from Savannah High School who just happens to be a manager within KSA. Can anyone guess who that might be? (HINT: Rhymes with sod best.) She says hello!

As we continue to work hard, the Strategy Team is working on a capacity model that will tell The Home Depot the capacity of the current IDC and how to handle peak volumes next year.

The COI Team is handing over the COI program to The Home Depot management. In this process, workout groups of associates and all levels of management get together to brainstorm opportunities, brainstorm solutions, and test and implement solutions. The goal is to continually improve the processes within the IDC. The Home Depot management team that has started with this process is really starting to shine by facilitating meetings and updates to the DC manager. In a meeting the other day, a shipping manager gave a testimonial about his realization that his sponsorship and dedication was the key to making this process work. We wanted to bottle those words and preserve them.

The third team is concentrating on wave management and staff balancing throughout the IDC. Next week, managers will begin posting daily stats such as: volumes, utilized staff, estimated and actual completion times, cases/man hour, % fill rate, and shipped v. picked units in order to inform and increase awareness of facility goals.

As always, we welcome any willing visitors.

P.s. Correction to the previous entry: Tony DeMaria's nickname is "Grappa", not "Grampa" – ask Rich Dec (AKA Freakshow)

--MELISA OLSON

RECENT REQUESTS:

HELP ON CAPTURING DISTANCE TRAVEL WITH RAYMOND LIFT

s there anyone out there who has information on how to capture distance traveled with RAYMOND brand lifts? Particularly the: 589-S20SRT (Stacker Cranes) (Elev.' Height-620)

For production recording purposes I am interested in the total distance traveled, however, the horizontal distance alone will suffice. I contacted RAYMOND directly and they informed me that there were no attachments available (such as an odometer) all they have is an hour meter.

I was wondering if anyone knows of any other after-market devices out there (5th wheels, hub odometers...).

Any input would be greatly appreciated as my only option is to write a program calculating the distances between every location visited in the day/week and quite frankly I'd sooner clean my apartment (I'm a single relocator!).

-- DORRON MARGALIT

ATTENTION ALL DESIGN GURUS!

s part of the larger body of logistics knowledge, we are developing a tilt tray/cross belt sorter reference guide for use by the onsite consultant. The reference guide will include basic design features, performance statistics, costing guidelines, vendor information, and more. Most importantly, we would like to include basic information regarding the tilt tray sorter installations that KSA has taken part in since 1990. Unfortunately, there is not yet a single source for obtaining this information.

If you have been a member of a design team that has proposed, designed, installed, tested, or implemented a tilt tray sorter or cross belt sorter, please help us by providing any information or documentation you have on the project. Specifically, we are looking for:

- KSA specification document and/or request for proposal
- Vendor description of operations
- Vendor software specifications, including hardware connections and communication protocols
- WMS interface information, including name of WMS package
- Statistics on the sorter, as installed (length, speed, trays, design features, firewall penetrations, etc)
- Test plan and/or test scripts
- Timeline information
- Cost information
- Guidance on whether or not the client's name can be used in this internal reference guide
- Photos, drawings, sketches

We are trying to pull this reference together during the month of August for publication later in the year. Please send this information to Amy Burns in the Atlanta office. Thanks in advance for your support and contributions!

-- CAMERON GEIGER

NOTES...NEWS...NONSENSE:

THE LEGGIO AWARDS

Person Most Wanting to be a Victim Award

ark Thomas, currently of Grand Rapids, MI has been selected as the person most wanting to be victimized. I called his house to invite him out for the weekend and was greeted with a message similar to the following: "Hi, you have reached Mark, I am in France and will not be back until the 27th of July, so please leave a message and I will get back to you." The only things he left out were the locations of his valuables and where he hides a spare key. Way to go Mark, I hope your things were there when you got home.

Smokey the Bear Award

his award goes out to Chris Port from PEG. Chris failed to check inside his oven before preheating it. Chris then stepped out for a minute and when he returned he smelled smoke. He thought, "Some fool is burning something", then when he entered his apartment realized the fool was him. When he opened the oven he found the directions, (probably telling him to remove the direction from inside the oven before preheating). If I had known this I wouldn't have left Chris alone with my grill.

Longest Hotsheet Entry Award

ris Chang has been working on a Hotsheet entry since sometime around April. I am sure that she keeps finding more and more to add to the article and as a result has not turned it in. I look forward to seeing this much-heralded article sometime before I start withdrawing from my 401(K).

--FRANK LEGGIO

DILBERT QUOTES AND SUCH

magazine recently ran a "Dilbert quotes" contest. They were looking for people to submit quotes from their real life Dilbert-type managers. Here are some of the submissions:

As of tomorrow, employees will only be able to access the building using individual security cards. Pictures will be taken next Wednesday and employees will receive their cards in two weeks. (This was the winning quote from Charles Hurst at Sun Microsystems).

What I need is a list of specific unknown problems we will encounter.

How long is this Beta guy going to keep testing our stuff?

E-mail is not to be used to pass on information or data. It should be used only for company business.

Turnover is good for the company, as it proves that we are doing a good job in training people.

This project is so important; we can't let things that are more important interfere with it.

Doing it right is no excuse for not meeting the schedule. No one will believe you solved this problem in one day! We've been working on it months. Now, go act busy for a few weeks and I'll let you know when it's time to tell them.

My Boss spent the entire weekend retyping a 25-page proposal that only needed corrections. She claims the disk I gave her was damaged and she couldn't edit it. The disk I gave her was write-protected.

Quote from a recent interview: "You are a top flight candidate and I see that you have a lot of education. However, you understand, that intelligence is not really required for this job."

Quote from the Boss: "Teamwork is a lot of people doing what 'I' say."

My sister passed away and her funeral was scheduled for Monday, which meant I would miss work on the busiest day of the year. He then asked if we could change her burial to Friday. He said, "That would be better for me."

"We know that communication is a problem, but the company is not going to discuss it with the employees."

A group of us got together concerning the lack of merit increases this year (even though management got theirs). We made up a bumper sticker and stuck it on the Boss's new Lexus. It reads, "How's my managing? Call 1-800-NO-CLUE!"

We recently received a memo from senior management saying: "This is to inform you that a memo will be issued today regarding the subject mentioned above."

One day my Boss asked me to submit a status report to him concerning a project I was working on. I asked him if tomorrow would be soon enough. He said, "If I wanted it tomorrow, I would have waited until tomorrow to ask for it!"

I worked for a Boss who sent a memo to his assistant to investigate the possibility of canceling the fire insurance and buying a used firetruck for the employees to man.

Speaking the Same Language: As director of communications I was asked to prepare a memo reviewing our company's training programs and materials. In the body of the memo one of the sentences mentioned the "pedagogical approach" used by one of the training manuals. The day after I routed the memo to the executive committee, I was called into the HR director's office, and told that the executive vice-president wanted me out of the building by lunch. When I asked why, I was told that she wouldn't stand for "perverts" working in her company. Finally he showed me her copy of the memo, with her demand that I be fired - and the word "pedagogical" circled in red. The HR manager was fairly reasonable, and once he looked the word up in his dictionary, and made a copy of the definition to send back to her, he told me not to worry. He would take care of it. Two days later a memo to the entire staff came out-directing us that no words which could not be found in the local Sunday newspaper could be used in company memos. A month later I resigned. In accordance with company policy, I created my resignation memo by pasting words together from the Sunday paper.

Stick With Me: Our consulting group received a new manager. She recently had received control over another business line as well, which gave her a sense of power and grandeur. In the very first meeting with her she told the group "Stick with me! I am building an empire at this company, and I am going to need little people like you to be Kings and Queens!"

I am not making this up. This gem is the closing paragraph of a nationally circulated memo from a large communications company: "(Company name) is endeavorily determined to promote constant attention on current procedures of transacting business focusing emphasis on innovative ways to better, if not supersede, the expectations of quality!"

--MELISSA MCPHAIL

NEIMAN-MARCUS COOKIES (Recipe may be halved)

2 cups butter 4 cups flour 2-tsp. soda 2 cups sugar5 cups blended oatmeal

(Measure oatmeal and blend in a blender to a fine powder.)

24 oz. chocolate chips 2 cups brown sugar

1 tsp. salt

1-8 oz. Hershey Bar (grated)

4 eggs

2 tsp. baking powder

2 tsp. vanilla

3 cups chopped nuts (your choice)

Cream the butter and both sugars. Add eggs and vanilla; mix together with flour, oatmeal, salt, baking powder, and soda. Add chocolate chips, Hershey Bar and nuts. Roll into balls and place two inches apart on a cookie sheet. Bake for 10 minutes at 375 degrees. Makes 112 cookies.

--PAM BECKERMAN

HAPPY BIRTHDAY

Chuck Easley 8/1
Sarah Davis 8/3
Cameron Geiger 8/3



Ken Walker 7/31/81 Troy Van Wormer 7/31/95 Scott Daughdril 8/1/96

As of 7/28/98

MRKomanduri

GRDugger

DBruce

the HOTSHEET

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QUOTE OF THE WEEK:

Leanne Smullen

"If at first you DO succeed, try something harder."

--ANN LANDERS
SYNDICATED COLUMNIST

INDUSTRY INSIGHTS

WALL STREET JOURNAL (24 JULY 1998)

SEARS EARNINGS EXCEED EXPECTATIONS, BUT STOCK FALLS ON WORRIES ABOUT FUTURE

offman Estates, IL—Sears, Roebuck & Co.'s second-quarter earnings were slightly better than expected, but its stock fell 9.5% over concerns about the prospects for its credit and retail operations.

Sales of clothing were disappointing in the quarter, and the Sears credit-card business suffered a 14% decline in operating profit.

The Sears card, which customers use to charge more than half of all Sears merchandise sales, is under intense competitive fire from lower-interest-rate bankcards. About 40% of last year's profit at the company came from its \$27 billion credit-card loan portfolio.

Sear's shares fell \$5.375 to close at \$51.3125 in New York Stock Exchange composite trading. Other retailing shares also fell in yesterday's stock-market decline.

--AMY BURNS

AREA DEVELOPMENT (JUNE 1998) SOUTHERN CALL CENTERS



everal large companies have recently announced plans for new call center operations in southern states. Among these is Pitney Bowes Inc., the \$4 billion mail and messaging management company, which will create 200 jobs at a new call center in Savannah, GA., for its Small Office Division. According to the division's Vice President and General

Michael Stecyk, "We chose Savannah because of its very attractive business climate and community environment that is well-suited to call center work," after a study of different locations nationwide.

National Service Direct, Inc. (NSDI) is opening a new automated call center in North Charleston, S.C., which will create more than 100 direct jobs. The company handles call center requirements for a number of national organizations including General Electric, PBS, and North American Telephone Network. NSDI already has some 100 workers employed at another North Charleston location.

And, Sprint is locating a major telecommunications center in the City of Bristol, Va., with an anticipated employment base of 500 by September 1998. The new center will offer clients state-of-the-art call center services.

--LEANNE SMULLEN

VENDOR VITTLES

MODERN MATERIAL HANDLING (JUNE 1998) EVENTS CALENDAR

Septembe	r 1998
14-16	Scan-Tech 98, Advanstar Expositions, Rosemont Convention Center, Chicago, IL. Call (800) 331-5706.
October 1	998
11-14	Council of Logistics Management 1998 Annual Conference, Anaheim Convention Center, Anaheim, CA. Call (630) 574-0985.
11-14	Food Distributor's Annual Productivity Conference & Exposition, Food Distributors International, Nashville, TN. Call (703) 532-9400.
19-23	APICS Annual Conference & Exhibition, Anaheim Convention Center, Anaheim, CA. Call (630) 574-0985.
November	· 1998
11-14	AutoFact 98, Society of Manufacturing Engineers, Cobo Hall, Detroit, MI. Call (313) 271-1500.

--LEANNE SMULLEN

MATERIAL HANDLING ENGINEERING (JUNE 1998) RECORD YEAR FOR CONVEYOR INDUSTRY

The Conveyor Equipment Manufacturers Association (CEMA) reports that a new industry record for booked orders was set in 1997, approaching within striking distance of \$6 billion for the first time.

Led by across-the-board strength in unit handling categories, CEMA estimates that the industry rang up \$5.8 billion in new orders and \$5.4 billion in shipments. Four of the six unit handling categories (CEMA tracks six classes of unit handling equipment and five classes of bulk handling equipment) showed increases in orders. Bookings for light to medium unit handling conveyors, the leader in dollar volume, were up 4%. Overall, orders for unit handling conveyors were 7% higher with shipments up 5%. CEMA executives indicated that 1998 orders and shipments should approach 1997 levels.

--LEANNE SMULLEN

NOTES...NEWS...NONSENSE:

MIND READER BRAIN TEASER

t only takes 30 seconds. And it really works!

Work this out as you read. Don't read the bottom until you have worked it out!

Follow these 6 steps...

- 1. First of all, pick the number of days a week that you would like to go out (see a movie, eat pizza, be social).
- 2. Multiply this number by 2.
- 3. Add 5.
- 4. Multiply it by 50.
- 5. If you have already had your birthday this year, add 1748. If you haven't, add 1747.
- 6. 6.Last step: Subtract the four-digit year that you were born.

(See page 6 for results)

WHAT HAPPENED TO THE SIGNERS?



s we recently celebrated the 4th of July, here is an important reminder of what the holiday is actually about (other than a 3-day weekend)... and what others gave up so we might enjoy freedom today. The story below tells what happened to the men who signed the Declaration of Independence.

Five signers were captured by the British and brutally tortured as traitors. Nine fought in the War for Independence and died from wounds or from hardships they suffered. Two lost their sons in

the Continental Army. Another two had sons captured. At least a dozen of the fifty-six had their homes pillaged and burned.

What kind of men were they? Twenty-five were lawyers or jurists. Eleven were merchants. Nine were farmers or large plantation owners. One was a teacher, one a musician, and one a printer. These were men of means and education, yet they signed the Declaration of Independence, knowing full well that the penalty could be death if they were captured.

In the face of the advancing British Army, the Continental Congress fled from Philadelphia to Baltimore on December 12, 1776. It was an especially anxious time for John Hancock, the President, as his wife had just given birth to a baby girl. Due to the complications stemming from the trip to Baltimore, the child lived only a few months.

William Ellery's signing at the risk of his fortune proved only too realistic. In December 1776, during three days of British occupation of Newport, Rhode Island, Ellery's house was burned, and all his property destroyed. Richard Stockton, a New Jersey State Supreme Court Justice, had rushed back to his estate near Princeton after signing the Declaration of Independence to find that his wife and children were living like refugees with friends. A Tory sympathizer who also revealed Stockton's own whereabouts had betrayed them. British troops pulled him from his bed one night, beat him and threw him in jail where he almost starved to death. When he was finally released, he went home to find his estate had been looted, his possessions burned, and his horses stolen. Judge Stockton had been so badly treated in prison that his health was ruined and he died before the war's end. His surviving family had to live the remainder of their lives off charity.

Carter Braxton was a wealthy planter and trader. One by one the British navy captured his ships. He loaned a large sum of money to the American cause; it was never paid back. He was forced to sell his plantations and mortgage his other properties to pay his debts.

Thomas McKean was so hounded by the British that he had to move his family almost constantly. He served in the Continental Congress without pay, and kept his family in hiding. Vandals or soldiers or both looted the properties of Clymer, Hall, Harrison, Hopkinson and Livingston.

Seventeen lost everything they owned.

The British during the Charleston Campaign captured Thomas Heyward, Jr., Edward Rutledge and Arthur Middleton, all of South Carolina, in 1780. They were kept in dungeons at the St. Augustine Prison until exchanged a year later.

At the Battle of Yorktown, Thomas Nelson, Jr. noted that the British General Cornwallis had taken over the family home for his headquarters. Nelson urged General George Washington to open fire on his own home. This was done, and the home was destroyed. Nelson later died bankrupt.

Francis Lewis also had his home and properties destroyed. The British jailed his wife for two months, and that and other hardships from the war so affected her health that she died only two years later.

"Honest John" Hart, a New Jersey farmer, was driven from his wife's bedside when she was near death. Their thirteen children fled for their lives. Hart's fields and his gristmill were laid waste. For over a year he eluded capture by hiding in nearby forests. He never knew where his bed would be the next night and often slept in caves. When he finally returned home, he found that his wife had died, his children disappeared, and his farm and stock were completely destroyed. Hart himself died in 1779 without ever seeing any of his family again.

Such were the stories and sacrifices typical of those who risked everything to sign the Declaration of Independence. These men were not wild-eyed, rabble-rousing ruffians. They were soft-spoken men of means and education. They had security, but they valued liberty more.

Standing tall, straight, and unwavering, they pledged: "For the support of this declaration, with a firm reliance on the protection of the Divine Providence, we mutually pledge to each other, our lives, our fortunes, and our sacred honor."

--MIKE JENKINS

THE ICE CREAM AND CAR PROBLEM

or the engineers among us who understand that the obvious is not always the solution, and that the facts, no matter how implausible, are still the facts ...

The Pontiac Division of General Motors received a complaint:

"This is the second time I have written you, and I don't blame you for not answering me, because I kind of sounded crazy, but it is a fact that we have a tradition in our family of ice cream for dessert after dinner each night. But the kind of ice cream varies so, every night, after we've eaten, the whole family votes on which kind of ice cream we should have and I drive down to the store to get it. It's also a fact that I recently purchased a new Pontiac and since then my trips to the store have created a problem. You see, every time I buy vanilla ice cream, when I start back from the store my car won't start. If I get any other kind of ice cream, the car starts just fine. I want you to know I'm serious about this question, no matter how silly it sounds: 'What is there about a Pontiac that makes it not start when I get vanilla ice cream, and easy to start whenever I get any other kind?'"

The Pontiac President was understandably skeptical about the letter, but sent an engineer to check it out anyway. The latter was surprised to be greeted by a successful, obviously well educated man in a fine neighborhood. He had arranged to meet the man just after dinnertime, so the two hopped into the car and drove to the ice cream store. It was vanilla ice cream that night and, sure enough, after they came back to the car, it wouldn't start.

The engineer returned for three more nights. The first night, the man got chocolate. The car started. The second night, he got strawberry. The car started. The third night he ordered vanilla. The car failed to start.

Now the engineer, being a logical man, refused to believe that this man's car was allergic to vanilla ice cream. He arranged, therefore, to continue his visits for as long as it took to solve the problem. And toward this end he began to take notes: he jotted down all sorts of data, time of day, type of gas used, time to drive back and forth, etc.

In a short time, he had a clue: the man took less time to buy vanilla than any other flavor. Why? The answer was in the layout of the store.

Vanilla, being the most popular flavor, was in a separate case at the front of the store for quick pickup. All the other flavors were kept in the back of the store at a different counter where it took considerably longer to find the flavor and get checked out.

Now the question for the engineer was why the car wouldn't start when it took less time. Once time became the problem -- not the vanilla ice cream -- the engineer quickly came up with the answer: vapor lock. It was happening every night, but the extra time taken to get the other flavors allowed the engine to cool down sufficiently to start. When the man got vanilla, the engine was still too hot for the vapor lock to dissipate.

Moral of the story: even insane-looking problems are sometimes real.

--MELISSA MCPHAIL

RESULTS TO BRAIN TEASER:

You should now have a three-digit number: The first digit of this was your original number (I.e. how many times you wanted to go out each week.) The second two digits are your age. It really works!

** This is the only year (1998) it will ever work so spread the joy around by mailing this to everyone you know!

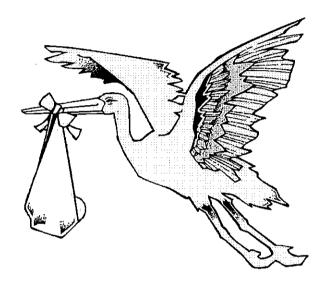
--PAM BECKERMAN

HAPPY BIRTHDAY

K.B. Marshall 7/29 Neysa Colizzi 7/29

CONGRATULATIONS

Audrey and Darren Frost on the birth of their first child and son, Skyler Ian Frost, weighing 8 pounds, 10 ounces, at 21". Skyler was born July 19, 1998 at 12:30pm. After a few days of at home training, Skyler will be joining Dad at Wolverine for the SAP project.



the HOTSHEET

vol. 7 no. 45

Editor:

July 17, 1998

Publisher: Amy Burns

Published by KSA Atlanta

Logistics Services Group

QUOTE OF THE WEEK:

Leanne Smullen

"There is more in us than we know. If we can be made to see it, perhaps, for the rest of our lives, we will be unwilling to settle for less."

--KURT HAHN
FOUNDER, OUTWARD BOUND

WELCOME

Please join us in welcoming 23 new consultants to the KSA Logistics team. This new group is currently part of the 118th Orientation Class (KSA's largest ever!) and will soon join their colleagues on various projects throughout the United States and Japan. First project assignments will be made on Wednesday, July 22 for those not listed below. Please take the time to welcome these folks when you see them, and good luck to each of you as you begin your new career with KSA.

Name	Hire Date	Location	<u>Project</u>
Charles Adadevoh	6/98	Atlanta Office	
Anika Ball	7/98	Atlanta-Relocator	
Steven Bardsley	7/98	Atlanta Office	Logistic Systems-Developer
Dan Bruce	7/98	Atlanta-Relocator	Jusco-Japan
Tucker Davidson	7/98	Atlanta-Relocator	
Tim Copeland	7/98	Princeton-Relocator	
Megan DeBone	7/98	Princeton-Relocator	
J.D. Densmore	6/98	Atlanta-Relocator	Home Depot-Savannah
Steve Hescock	7/98	Princeton-Relocator	
Andy Johnson	7/98	Atlanta-Relocator	
Dawn Kale	7/98	Atlanta Office	
David Lindabury	6/98	Atlanta Office	Logistic Systems-Technical Writer
Daniel Murray	7/98	Atlanta Office	Systems-Database Administrator
Shawn Olds	5/98	Atlanta-Relocator	Kmart-Detroit
Steve Osburn	6/98	Atlanta-Relocator	Nike-Memphis
Joe Raines	7/98	Atlanta-Relocator	_
Brenda Steele	7/98	Princeton-Relocator	

Name	Hire Date	Location	Project*
Owen Tatsuta	4/98	Atlanta-Relocator	International Cornerstone-Cincinnati
Aaron Todd	7/98	Princeton-Relocator	
Diallo Tyson	7/98	Atlanta-Relocator	
Scott Vanags	7/98	Atlanta-Relocator	
Rick Westbrook	6/98	Atlanta Office	Systems-Customer Service Center
Bill Wosilius	7/98	Atlanta-Relocator	

--LEANNE SMULLEN AND AMY BURNS

PROJECT POSTCARDS:



CONTROL PLUS NEWSFLASH!

New Help Desk Staff

ilah Pressley has taken over the management of the Help Desk function for both Control Plus and DCMS. Working with her is Stacy Bush, who has been with Control Plus for a year and a half, and Rick Westbrook who joined KSA last month.

The direct dial number for Control Plus Customer Service is 404-898-7811. The voice mailbox attached to this number is 7811. However, if you want to transfer to this extension from within the KSA voice mail system, you must use 4811.

As before, we are committed to covering this phone Monday through Friday between the hours of 8:00 a.m. to 5:00 p.m. Voice mail is, of course, available 24 hours a day.

Schedules - Installation and Otherwise

Denise Trostle will be on a medical leave from July 27 through approximately September 14. Be sure to contact the Help Desk as outlined above for assistance with Control Plus questions/issues. If you need to schedule an on-site client visit for installation or training during this period, please contact *Mike Jenkins* (ext. 7935).

Control Plus – The Next Generation

Work continues on developing the next generation of Control Plus software (currently referred to as "Control Plus 32"). The System Requirements document is now available for your perusal and comment. As per Mike Gregory's e-mail of July 13, the document can be accessed via the Shared Folders at: Public Folders/All Public Folders/KSA Forums/Consumer Products Division/306 Logistics Systems/Active Client Projects/Control Plus 32. The name of the document is CP32 Master Document. Don't miss this exciting page-turner!

--DENISE TROSTLE

JUST A MESSAGE FROM BABY SPICE AND THE SPICE BOYZ: THE BEGINNING

It all began on a HOT (about 110 with the heat index) and sticky (close to 98% humidity) day of early June in a town in Southeastern Georgia. We were brought together to work with a little (1.4 million sq feet or 39 football fields) establishment in Savannah, The Home Depot. We came together to work on 3 different projects: a strategy, a CPI, and a wave balancing team. Let me tell you about the folks involved:

On the strategy team: Chris 'Pops' Davis and Matt 'Gettin' Jiggy With It'

Prevost

On the CPI Team: Ralph 'TR' Wear, Melisa 'Baby Spice' Olson, and

James 'Newbee' Densmore

On the Wave Balancing Team: Rich 'Freakshow' Dec and Chris 'Peter Cottontail'

Dahm

And last but not least, our fearless leaders: Brad 'Cornbread' Humphries and Tony 'Grampa'

DeMaria

While we have been hard at work working to solve all of THD's opportunities through brainstorming, work-out group sessions with management and associates, and planning future strategies, we have found a bit of free time to enjoy Savannah.

The week generally begins at a fast pace with meetings and work-out group sessions including management and associates. This past Monday we had a treat when 'Gettin' Jiggy With It' actually got out on the floor and did some time studying. The day ended in The Big House sitting room with South on one side, North on the other playing the home version of 'The Price Is Right', involving a Delta Time Table, 87 cents in pocket change, and Matt yodeling.

Wednesday is a big day, generally starting with speed bump challenges for which 'Peter Cottontail' holds the record by barely beating out 'Freakshow'. To celebrate another graduation into the end half of the week, Wednesday we celebrate—Savannah style. The evening generally begins with dinner at one of the many restaurants in Savannah, somewhere in City Market or on River Street. Throughou the night, we have only two goals: enjoying the moment and keeping our ice cubes from getting dry. As the evening progresses, the team has been known to enjoy a 'Call a Cab' by calling Pops' better half from Wet Willie's. The evening generally ends at Pinkie's playing darts or talking Pops' into "Doing the Stair Thing".

All in all, we are embodying the phrase 'work hard, play hard'. We look forward to any future visitors who would like to partake in an evening of fun and games with ... Baby Spice and the Spice Boyz.

--MELISSA OLSON

VENDOR VITTLES

AMERICAN SHIPPER (JULY 1998)

U.S. LOGISTICS PROVIDERS HIT STRIDE IN EUROPE

hird-party logistics providers from the U.S. are expanding their activities in Europe at an unprecedented rate, according to a recent survey by KPMG Transportation and Distribution.

In hunting clients, third-party respondents to the survey said they began with their own customer databases. After that, three-quarters of the researched companies used relations of employees as sources of information," KPMG's consultants said. "Half of the companies said they obtained data from the Internet." Substantial business was initiated from rumors heard at trade conferences, tracked down subsequently by the providers' sales representatives.

What services do European customers want? Third-party providers ranked the following by the degree of interest shown from possible clients: Inventory and cost accounting (71%), just-in-time logistics (67%), warehouse management (57%), value-added logistics (57%) and logistics engineering (57%).

American Shipper asked several U.S.-based third-party providers to comment on their expanded European operations.

Larry Sur, president of Schneider Logistics, said that "we were invited to go to Europe by Case Corp. We've been there over a year and a half. When we started, we took a team of our people and put them over there to look at the situation and determine what we needed to do."

One problem for U.S. logistics providers is that efficiency in Europe often has a different tempo. Despite differences in perception, Sur feels that "we're in the right place at the right time."

Jeffrey D. Hurley, vice president, market development for Customized Transportation Inc. (CTI), the Jacksonville-based logistics subsidiary of CSX Corp., said that "our basic strategy in Europe has been to expand with customers we currently do business with here in the States. We're not over there marketing the services of CTI to customers that are really not familiar with how we do business."

Paul Carvell, vice president of sales and marketing for the European subsidiary of Penske Logistics, in Reading, PA said, "When we did the business plan for Penske's new venture, we were always clear—from day one—that it had to be a European team, managing a European business, turning cultural diversity into a strength."

--LEANNE SMULLEN

OPERATIONS AND FULFILLMENT (JULY/AUGUST 1998) NINE STEPS TO BETTER YEAR 2000 PROJECT MANAGEMENT

But smart strategists must switch to thinking about the Year 2000 issue as a business problem, not merely a technical snafu. The following guidelines can help you evaluate the big picture:

- 1. Conduct a detailed risk assessment. List and review all transaction and support applications. Ask yourself such questions as: How can I manage risk? Am I on track with my cost estimates? Which of my systems will make the deadline? What's my liability if I fail?
- 2. **Insist on commitment from the top.** Malfunctioning systems could cost you millions of dollars or even drive you to bankruptcy. But experts say most senior executives still don't take the problem seriously enough.
- 3. Focus on repairing or replacing critical systems. If you don't have time to fix every possible bug in each of your systems, concentrate on those—such as inventory, order management, and shipping—that absolutely must function for you to stay in business.
- 4. **Get as much expert help as you can.** A Year 2000 project isn't the place to cut costs. Bring on board as many competent programmers and technical specialists as you possibly can, particularly if your repair efforts are behind schedule.
- 5. **Prioritize your conversion tasks.** After you've selected the most vital functions in your enterprise, match them with your available information technology resources. Then calculate what John Bace of Gartner Group calls "the time horizon to failure" (THF), or the likely failure date, for each of your critical systems.
- 6. **Establish backup procedures.** Expect glitches, even if you've fixed and double-checked every one of your systems. "You need to set up two contingency plans, one for IT functions and one for critical business functions," recommends Bace.
- 7. **Badger your vendors and suppliers.** Written proof of Y2K compliance is an absolute necessity. "The big task for IT department heads is to guarantee that all your vendors are compliant," stresses Randy Dow of **DM Management**.
- 8. **Perform integrated testing.** Each of your applications and programs may be ready for the millennium, but will they work together seamlessly? Don't wait until January 1 to find out.
- 9. **Plan for 2001 and beyond.** Given that the year 2000 has many zeros and is a leap year—major problems for some types of hardware—the fallout of Y2K will continue well into the millennium. Stay on the lookout for sudden system discrepancies and failures, and keep all backups current.

--AMY BURNS

CALLING ALL LOGISTICS KSAERS!

Have you just finished a project deliverable or a time-saving technique that could benefit other folks? If you have, please send those files to the Logistics BOK. Please take a moment to:

- ☑ Briefly organize your files and provide explanations if necessary
- ☑ address an e-mail to Gabrielle Pyle (Princeton), Leanne Smullen (Atlanta) and Rick Sanqui (Los Angeles)
- ☑ attach your files
- ✓ send em!

We'll keep them in each BOK for the next person down the line who could benefit from your wisdom and creativity. We appreciate your constant input to both the BOK and the Hotsheet. Keep the information flowing and thanks!

--LEANNE SMULLEN

NOTES...NEWS...NONSENSE:

GOOD GRIEF...

he Late Earl Nightingale, writer and publisher of inspirational and motivational material, once told a story about a boy named Sparky. For Sparky, school was all but impossible. He failed every subject in the eighth grade. He flunked physics in high school, getting a grade of zero.

Sparky also flunked Latin, algebra, and English. He didn't do much better in sports. Although he did manage to make the school's golf team, he promptly lost the only important match of the season. There was a consolation match; he lost that too.

Throughout his youth, Sparky was awkward socially. He was not actually disliked by the other students; no one cared that much. He was astonished if a classmate ever said hello to him outside of school hours.

There's no way to tell how he might have done at dating. Sparky never once asked a girl to go out in high school. He was too afraid of being turned down.

Sparky was a loser. He, his classmates...everyone knew it. So he rolled with it. Sparky had made up his mind early in life that if things were meant to work out, they would. Otherwise he would content himself with what appeared to be his inevitable mediocrity.

However, one thing was important to Sparky—drawing. He was proud of his artwork. Of course, no one else appreciated it. In his senior year of high school, he submitted some cartoons to the editors of the yearbook. The cartoons were turned down. Despite this particular rejection, Sparky was so convinced of his ability that he decided to become a professional artist.

After completing high school, he wrote a letter to Walt Disney Studios. He was told to send some samples of his artwork, and the subject for a cartoon was suggested. Sparky drew the proposed cartoon. He spent a great deal of time on it and on all the other drawings he submitted. Finally, the reply came from Disney Studios. He had been rejected once again. *Another loss for the loser*.

So Sparky decided to write his own auto-biography in cartoons. He described his childhood self—a little boy loser and chronic underachiever. The cartoon character would soon become famous worldwide.

For Sparky, the boy who had such a lack of success in school and whose work was rejected again and again, was Charles Schulz. He created the "Peanuts" comic strip and the little cartoon character whose kite would never fly and who never succeeded in kicking a football—Charlie Brown.

--AMY BURNS

HAPPY BIRTHDAY

Iris Chang 7/18 Jan Watson 7/18 Chris Dahm 7/19

WHY YOU SHOULD PROOFREAD YOUR WANT AD!

2 female Boston Terrier puppies, 7 wks. Old, Perfect markings, 555- 1234. Leave mess.	Lost: small apricot poodle. Reward. Neutered. Like one of the family	3-year-old teacher need for pre- school. Experience preferred.
Dinner Special Turkey \$2:35 Chicken or Beef \$2:25 Children \$2:00	For sale: an antique desk suitable for lady with thick legs and large drawers.	Four-poster bed, 101 years old. Perfect for antique lovers.
Now is your chance to have your ears pierced and get an extra pair to take home, too.	Our experienced Mom will care of your child. Fenced yard, meals, and smacks included.	Wanted: Unmarried girls to pick fresh fruit and produce at night.
We do not tear your clothing with machinery. We do it carefully by hand.	Auto Repair Service: Free pick-up and delivery. Try us once, you'll never go anywhere again.	For Sale: Eight puppies from a German Sheppard and an Alaskan Hussy.
Great Dames for sale.	Have several very old dresses from grandmother in beautiful condition.	Tired of cleaning yourself? Let me do it.
Dog for sale: eats anything and is fond of children	Vacation Special: have your home exterminated:	Mt. Kilimanjaro, the breathtaking backdrop for the Serena Lodge. Swim in the lovely pool while you drink it all in:
Get rid of aunts: Zap does the job in 24 hours.	Toaster: A gift that every member of the family appreciates. Automatically burns toast.	We will oil your sewing machine and adjust the tension in your home for \$1.00.
Stock up and save. Limit: one.	For Rent: 6-room hated apartment.	Man, honest. Will take anything.
Illiterate? Write today for free help.	Man wanted to work in dynamite factory. Must be willing to travel.	Used Cars: Why go elsewhere to be cheated? Come here first!
And now, the Superstore unequaled in size unmatched in variety unrivaled inconvenience	Wanted: Hair-cutter. Excellent growth potential	Wanted. Man to take care of cow that does not smoke or drink.

--AMY BURNS



Ike Myers 7/18/77 Denise Trostle 7/20/81

the HOTSHEET

vol. 7 no. 44

July 10, 1998

Publisher: Amy Burns

Published by KSA Atlanta

Logistics Services Group

Editor: Leanne Smullen

QUOTE OF THE WEEK:

"As long as you're going to think anyway—you might as well think BIG!"

--DONALD TRUMP
BUSINESS EXECUTIVE

PROJECT POSTCARDS:



COLLEAGUES ATTENDING BUSINESS SCHOOL

hree of our Logistics colleagues will begin Business School over the coming months. Chris Mazzei and Rod West have both been accepted into the KSA Masters Program and will pursue their MBAs while working part-time with KSA. Chris has been accepted into New York University and will begin their program in August 1998. Rod is applying to schools currently and is planning to start his program in early 1999. Rather than both work and attend school through the KSA Masters Program, Matt Prevost has decided to attend graduate school full-time and will take a leave of absence starting Fall 1998 to begin his MBA education at Northwestern.

Please offer your congratulations to Matt, Rod, and Chris as they continue their education.

--RANDY MOORE

NEWS FROM THE TEAMSHARE PLUS TEAM AT DISTRIBUTION FULFILLMENT SERVICES (EDDIE BAUER/SPIEGEL)

Fisher Road Facility -

N.Colizzi, C.Rettig, R.Unger, V.Mitchell

Groveport Facility -

C.Paddock, K.Acosta, D.Margalit, C.Voellinger

Fisher Road Update:

(1) How much does a Supervisor's job change with the implementation of an individual incentive program?

Here at the Fisher Road Facility we are attempting to break the paradigm held by supervisors of "yeah - we spend time on the floor".

In our first operation on standard the supervisors all felt they were spending sufficient time on the floor (in reality they were walking through the area to and from meetings and spending the rest of the time in their offices checking e-mail and running reports). It was difficult to get them on the floor after installation, and as a result, performances slipped. The supervisors finally realized the importance of hands-on observation and follow-up when the engineering group uncovered extra hours and incorrect production recording which impacted performances as much as 40%.

To break this paradigm prior to implementation in the other areas, we are having the supervisors conduct pre-installation follow-up. We designed forms for them to use similar to time study forms that includes the level-of-detail of follow-up. The supervisors are using the forms to coach associates on best methods and avoidable delays. Not only is this practice pinpointing how much they are off the floor and getting them in the habit of both following and observing it is also helping to break another paradigm based on their current standards. They are realizing first-hand the looseness of their UPH goals. We have already seen a 26% improvement in performance in our next area, and hope to see even more with implementation of the standard.

(2) With the implementation of the individual incentive program (TeamShare Plus), the Receiving crew was having difficulty completing production-recording forms correctly. In an effort to test the proficiency of the associates and to emphasize the importance of the accuracy of the forms, the manager of the area compiled a "Production Recording Pop Quiz." He distributed the quiz to all the associates and supervisors. It was a great lesson to both parties because it accented the problem areas and highlighted that these mistakes during real production would (and probably did) negatively impact performances.

--NEYSA COLIZZI

INDUSTRY INSIGHTS:

PRNEWSWIRE (30 JUNE 98) COLDWATER CREEK ANNOUNCES FIRST QUARTER RESULTS

he specialty direct mail retailer, Coldwater Creek, today reported its operating and business results for the fiscal quarter ended May 30, 1998.

Net sales increased by \$28.9 million, or 56.7%, to \$79.9 million for the fiscal quarter ended May 30, 1998 ("the fiscal 1998 quarter") from \$51.0 million during the fiscal quarter ended May 31, 1997 ("the fiscal 1997 quarter"). The increase primarily is attributable to continuing increases in the circulation of and resulting order volume from the Company's Northcountry and Spirit of the West catalogs, and to a lesser extent, the Company's Milepost Four and Bed & Bath catalogs. Customer response to catalogs mailed achieved management's expectations, which incorporated downward volume revisions for Spirit of the West. The revised estimates established for Spirit of the West reflected modified response rate projections and increased circulation designed to clear excess stocks created by the previously reported softness in Sprit of the West response rates.

The Company realized net income of \$0.7 million for the fiscal 1998 quarter versus net income of \$2.1 million for the fiscal 1997 quarter. After restating the fiscal 1997 quarter for the required implementation of Financial Accounting Standard No. 128 "Earnings Per Share," this equates to basic and diluted net income per share of \$0.07 for the fiscal 1998 quarter versus basic and diluted net income per share of \$0.20 for the fiscal 1997 quarter.

Gross profit increased \$15.1 million, or 56.8%, to \$41.8 million during the fiscal 1998 quarter from \$26.7 million during the fiscal 1997 quarter. Expressed as a percentage of net sales, the Company's gross profit was 52.3% for the first quarters of fiscal 1998 and 1997.

Selling, general and administrative expenses increased by \$17.0 million, or 72.8%, to \$40.4 million during the fiscal 1998 quarter from \$23.4 million in the fiscal 1997 quarter. Selling, general and administrative expenses increased as a percentage of net sales to 50.5% for the fiscal 1998-quarter compared to 45.8% for the fiscal 1997 quarter. The increase in selling, general and administrative expenses primarily is attributable to circulation costs incurred in connection with increased catalog mailings, particularly the additional *Spirit of the West* mailings referenced above. To a lesser extent, continuing infrastructure investments made to support the Company's anticipated growth also contributed to the increase in selling, general and administrative expenses. The growth in selling, general and administrative expenses as a percentage of net sales primarily reflects the increase in catalog circulation associated with the overall *Spirit of the West* performance, partially offset by the continued overall leveraging of infrastructure costs.

As a result of the foregoing, operating income decreased by \$1.9 million, or 56.8%, to \$1.4 million for the fiscal 1998 quarter from \$3.3 million for the fiscal 1997 quarter. Expressed as a percentage of net sales, operating income was 1.8% for the fiscal 1998 quarter versus 6.5% in the fiscal 1997 quarter.

The Company recently received a commitment from First Security Bank, N.A., a major Northwest commercial bank, for a three-year \$50.0 million credit facility. Management believes that the new facility will meet the Company's liquidity and capital expansion needs for the foreseeable future. Such facility will replace the Company's existing \$35.0 million credit facility with US Bank that required annual renewals.

Coldwater Creek is a specialty direct mail retailer of apparel; gifts, jewelry and home furnishings targeted at well-educated, middle to upper income households. Headquartered in the town of Sandpoint, Idaho, the Company markets its merchandise through distinctive catalogs, including Northcountry -- its core catalog; Spirit of the West -- featuring women's apparel; Milepost Four -- featuring men's apparel; and Bed & Bath -- featuring linens for the bed and bath along with special decorative accessories. Additionally, Coldwater Creek operates catalog-theme retail store complexes in Sandpoint, Idaho and Jackson Hole, Wyoming.

The statements contained in this news release that are forward-looking are based on current expectations that are subject to a number of uncertainties and risks and actual results may differ materially. The uncertainties and risks include, but are not limited to, those associated with offering apparel merchandise such as longer lead times, increased inventory requirements, merchandise returns and high shipping costs and those factors outside the Company's control such as customer response rates, consumer preferences, fluctuations in paper and postage costs, general economic and business conditions, competition, and other factors. Further information about these matters can be found in the Company's Form 10-K for the fiscal year ended February 28, 1998 which is available from the United States Securities and Exchange Commission and other sources. The Company's revenue and results of operations have fluctuated and can be expected to continue to fluctuate on a quarterly basis as a result of a number of factors, including among other things, the timing of new merchandise and catalog offerings, recognition of costs or net sales contributed by new merchandise and catalog offerings, fluctuations in response rates, unanticipated inventory levels, production and postage costs and expenses, merchandise returns and changes in the Company's merchandise mix.

--BRAD HUMPHRIES

NOTES...NEWS...NONSENSE:

PALM PILOT ENTHUSIASTS

ooking for a great deal on a Palm Pilot?

I just ordered my **Palm III** from CDW for \$359 (retails at \$399). This is by far the best price around based on my shopping. **The Professional** is priced at \$279 (retails at \$299), which is about average for what you will find in the mail order competition. Shipping and handling is about \$9 or \$10. My contact will sell these at the stated price, however, he does deal in large quantities allowing him to provide discounts for sizable orders creating an opportunity for those

who can organize a pool of interest in a particular model. For magnitude of discounts, you will have to contact Paul Hamburg CDW 800.505.4239 ext. 7224.

Due to the nature of his business, there is potential for a wait based on stockage...i.e., I am waiting approximately 2 weeks to get my Palm III delivered...but its worth it for a \$40 discount.

Dan Stonaker and Ken Walker are setting the trend with their Palm Pilots in the Logistics group. The Palm Pilot is capable of automating your BI and Expense reporting (being able to export directly into the appropriate fields of your Excel spreadsheet via mapping).

--OWEN TATSUTA

A FRAMEWORK FOR INNOVATION

D

r. Christopher Meyer, a consultant and instructor at Stanford, spoke recently at a leadership program offered by Georgia Tech. He presented a framework for innovation based on his observations of companies in the Silicon Valley. Meyer contends that innovation requires changes in the following areas:

- 1. **Leadership**—Meyer recommends what he calls "positive paranoia." Those at the top need to constantly assess how they are doing and what the competition is up to. No pausing on the side of the road for a breather. Constantly look for feedback and new ideas. Meyer also recommends flattening the organization by sharing knowledge and accountability. Give people clear stretch goals and reward passion and results.
- 2. Strategic alignment Strategic efforts should challenge the status quo but be in line with product and process architectures. Stretch, but make it a reasonable one from a cost and risk standpoint. Avoid over-burdening your resources. Make sure you can deliver.
- 3. Process Meyer promotes Demming's idea that "...if you want to change your results substantially, you must change your process substantially." He recommends attacking process barriers and redefining products and processes concurrently rather than sequentially.
- 4. **People** You need people to generate new ideas. Keep your knowledge workers happy by giving them challenges, recognition, the latest tools, and a piece of the action. Remove barriers to their progress. Create organizational structures that channel energy and information. If you use teams, make sure your reward systems acknowledge team rather than individual performance.
- 5. Metrics A good measurement system focuses on a few critical indicators, provides real time data, balances results and process, is aligned with strategy, and is used for learning. He warns against right of the decimal point thinking –being so concerned with accuracy that you lose the big picture.

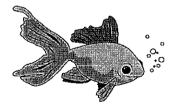
According to Meyer, innovation and growth depend on how well you can dream and how tenacious you are in implementing your dreams.

--PAM BECKERMAN

IF 99.9% IS GOOD ENOUGH THEN...

- 12 newborns will be given to the wrong parents daily
- 114,500 mismatched pairs of shoes will be shipped/year
- 18,322 pieces of mail will be mishandled/hour
- 2,000,000 documents will be lost by the IRS this year
- 2.5 million books will be shipped with the wrong covers
- Two planes landed at Chicago's O'Hare airport will be unsafe every day
- 315 entries in Webster's Dictionary will be misspelled
- 20,000 incorrect drug prescriptions will be written this year
- 880,000 credit cards in circulation will turn out to have incorrect cardholder information on their magnetic strips
- 103,260 income tax returns will be processed incorrectly during the year
- 5.5 million cases of soft drinks produced will be flat
- 291 pacemaker operations will be performed incorrectly
- 3056 copies of tomorrow's Wall Street Journal will be missing one of the three sections
- A typical day would be 24 hours long (give or take 86.4 seconds)

--MIKE JENKINS



USELESS INFORMATION

he oldest known goldfish lived to 41 years of age. Its name was Fred. [He was laid to rest, breaded, in a bed of lettuce.]

If an orangutan belches at you, watch out. He's warning you to stay out of his territory. [It's a male thing.]

Einstein couldn't speak fluently when he was nine. His parents thought he might be retarded. [Once he started speaking, they couldn't understand him.]

In Los Angeles, there are fewer people than there are automobiles. [And more screenwriters than people.]

In 1977, a 13-year-old boy discovered a tooth growing on his left foot. [A foot long tooth?]

In the early '80s, a toad was discovered that meows instead of croaking. [It was later found the toad was really a ventriloquist.]

In 1984, a Canadian farmer began renting ad space on his cows. [He called them, Mooooving Ads.]

About 96% of all American children can recognize Ronald McDonald. [He's pretty easy to pick out in a lineup.]

Research indicates that mosquitoes are attracted to people who have recently eaten bananas. [Mosquitoes find them a-peeling.]

A sneeze zooms out of your mouth at over 600 M.P.H. [Along with everything else in your mouth at the time.]

98% of American drivers think they drive better than anyone else. [The other 2% are NY cab drivers who know better.]

In 1681, the last dodo bird died. [He was 41 and his name was also Fred.]

The Neanderthal's brain was bigger than yours is. [But he couldn't surf the Internet.]

Donald Duck comics were banned from Finland because he doesn't wear pants. [All ducks in Finland wear pants.]

The average bank teller loses about \$250 every year. [Probably why banks have service charges.]

Howdy Doody had 48 freckles. [And if you connect them, they spell 'Dummy'.]

The most extras ever used in a movie were 300,000, for the film Gandhi in 1981. [Union regulations require each one be listed in the credits.]

You can only smell 1/20th as well as a dog. [Dogs compensate by smelling really bad.]

About 70% of Americans who go to college do it just to make more money. [The rest of them are avoiding reality for four more years.]

It's against the law to catch fish with your bare hands in Kansas. [This law was dedicated to Fred.]

Some toothpaste contains antifreeze. [Which explains why your teeth don't freeze in winter.]

Bird droppings are the chief export of Nauru, an island nation in the western Pacific. [What is the advantage of a bird that's been dropped?]

There are more plastic flamingos in America than real ones. [There are also more Elvis impersonators than real ones.]

Most lipstick contains fish scales. [Even though most fish don't wear lipstick.]

-- CAMERON GEIGER

HAPPY BIRTHDAY

Sharon Gavron 7/10 Melissa McPhail 7/11 Dennis Blankenship 7/13 Steve Knapik 7/15 Vish Ganapathy 7/15

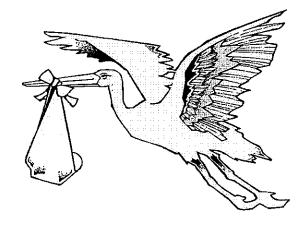


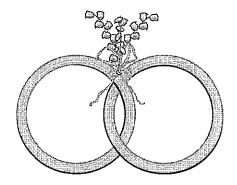
John Karonis	7/10/89	Mohamed Amer	7/12/93
Lynn Senior	7/10/91	Jeff DeRuiter	7/12/93
Chris Dahm	7/10/95	Mohan Komanduri	7/12/93
Sarah Davis	7/10/95	Iris Chang	7/14/97
Richard Dec	7/10/95	Valerie Levy	7/14/97
Chris Mazzei	7/10/95	Eduardo Perez	7/14/97
Vic Bhargava	7/11/94		
Scott Sangrey	7/11/94		
Randy Unger	7/11/94		
Rod West	7/11/94		
Lynn Spuhler	7/12/76		

CONGRATULATIONS!

Rick and Tracy Sanqui on the birth of their first child--- Raven Simone Sanqui--born at Noon, Monday, July 6, 1998.

She weighed 5 lbs. 2 oz.





BEST WISHES

Priscilla Jorgensen married John Howell on July 4th! It was a GRAND party with the bride and groom leaving the reception through a line of guests holding sparklers !!! They are currently honeymooning in Greece.

the HOTSHEET

vol. 7 no. 43

July 2, 1998

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Logistics Services Group

QUOTE OF THE WEEK:

"If you have a penny and I have a penny and we exchange pennies, you still have one cent and I still have one cent.

But if you have an idea and I have an idea and we exchange ideas, you now have two ideas and I now have two ideas."

--AUTHOR UNKNOWN

INDUSTRY INSIGHTS:

CATALOG AGE (MAY 1998)

MERCHANDISING: OOH LA LA—LUXURY IS BACK

booming economy, a leap in personal income and stable interest rates over the past few years have led to consumer spending, especially on the home front. And catalogers are answering the call by launching high-end home-related books or including more high-ticket gifts and decorative accessories in their merchandise mix.

Bloomingdale's by Mail (BBM) hopes to profit from the luxury trend. In February, the New-York based cataloger launched *Luxury Suite*, a catalog of high-end bedding and towels.

Luxury Suite follows several other upscale spin-offs from big names. Women's apparel cataloger/retailer Saks Fifth Avenue launched Folio Design for the Home in fall 1995, and last summer apparel and gifts cataloger Coldwater Creek spun off Bed and Bath.

--AMY BURNS

WALL STREET JOURNAL (20 MAY 1998)

HOME DEPOT INC.: QUARTERLY NET GREW 30%, AIDED BY HOUSING MARKET

Home Depot Inc. reported better-than-expected earnings for the fiscal first quarter ending May 3, helped by a brisk housing market. The Atlanta home-improvement said net income rose 30% to \$337.3 million, or 45 cents a diluted share, from \$258.8 million, or 35 cents a diluted share, a year earlier. The consensus forecast was 42 cents a diluted share, according to First Call Corp.

sales climbed 25% to \$7.12 billion from \$5.66 billion. The company opened 32 stores in the quarter, reaching a total of 656. On a comparable-store basis, sales increased 7%.

--AMY BURNS

IN THE SPOTLIGHT



DAN STONAKER



Professional Information

- 1. Area(s) of Specialization w/in KSA: I am leaning towards Direct Marketing
- 2. Work Experience Prior to KSA: Naval Officer—8 years—Nuclear Submarines
- 3. Current Client (Include a brief project description): International Cornerstone Group—planning, design and implementation of a new catalog fulfillment distribution center
- 4. List of Major Client Assignments: Lillian Vernon, Federated Dept. Stores, Apex Dept. Stores, Reebok, National Geographic Society, Spiegel, International Cornerstone Group

Personal Information

- 1. Place of Birth: Pensacola, Florida
- 2. Alma Mater: U.S. Naval Academy; Annapolis, MD—B.S., Mechanical Engineering. Bernau University—MBA
- 3. Married, Kids: Yes, 10 Years. Wife—Meri. Children—Robert (6), Nichloas (4)
- 4. Hobbies: Running, reading, spending time with my boys and other stuff
- 5. Most Interesting Client Assignment & Why: International Cornerstone Group—There are six different catalog companies involved in the project, all of which were started by

talented entrepreneurs. This group of companies will be one of the top direct marketing companies within five years

- 6. Worst Client Assignment & Why: No comment
- 7. Most Interesting Place Visited: Dunoon, Scotland
- 8. Favorite Quote: "Life is what happens while you're busy making other plans."
- 9. If you could live anywhere, where would it be: Annapolis, Maryland
- **10. Favorite Movie:** The Hunt for Red October
- 11. First Album (CD) Purchased: KISS—Double Live
- 12. Pets (including names): None

NOTES...NEWS...NONSENSE:



IF Dr. SEUSS DID TECHNICAL WRITING

ere's an easy game to play. Here's an easy thing to say.

If a packet hits a pocket on a socket on a port, And the bus is interrupted as a very last resort, And the address of the memory makes your floppy disk abort, Then the socket packet pocket has an error to report!

If your cursor finds a menu item followed by a dash, And the double-clicking icon puts your window in the trash, And your data is corrupted cause the index doesn't hash, Then your situation's hopeless, and your system's gonna crash.

You can't say this? What a shame, sir! We'll find you another game, sir.

If the label on the cable on the table at your house, Says the network is connected to the button on your mouse, But the packets want to tunnel on another protocol, That's repeatedly rejected by the printer down the hall, And your screen is all distorted by the side effects of gauss, So your icons in the window are as wavy as a souse, Then you may as well reboot and go out with a bang, 'Cause as sure as I'm a poet, the sucker's gonna hang!

When the copy of your floppy's getting sloppy on the disk, And the microcode instructions cause unnecessary risk, Then you have to flash your memory and you'll want to RAM your ROM. Quickly turn off your computer and be sure to tell your mom!

--AMY BURNS

Top 10 signs you work in the '90s:

- 1. You lecture the neighborhood kids selling lemonade on ways to improve their process.
- 2. You get all excited when it's Saturday so you can wear sweats to work.
- 3. You refer to the tomatoes grown in your garden as deliverables.
- 4. You find you really need PowerPoint to explain what you do for a living.
- 5. You eat out of vending machines and at the most expensive restaurant in town within the same week.
- 6. You think that "progressing an action plan" and "calendarizing a project" are acceptable English phrases.
- 7. You know the people at the airport hotels better than your neighbors.
- 8. You ask your friends to "think outside the box" when making Friday night plans.
- 9. You think Einstein would have been more effective had he put his ideas into a matrix.
- 10. You think a "half-day" means leaving at 5 o'clock.

--PAM BECKERMAN

HAPPY BIRTHDAY

John Champion 7/3
Jeff DeRuiter 7/6
Enrique Morales 7/7



Neil Buck 7/6/92 Jane Griesinger 7/8/91