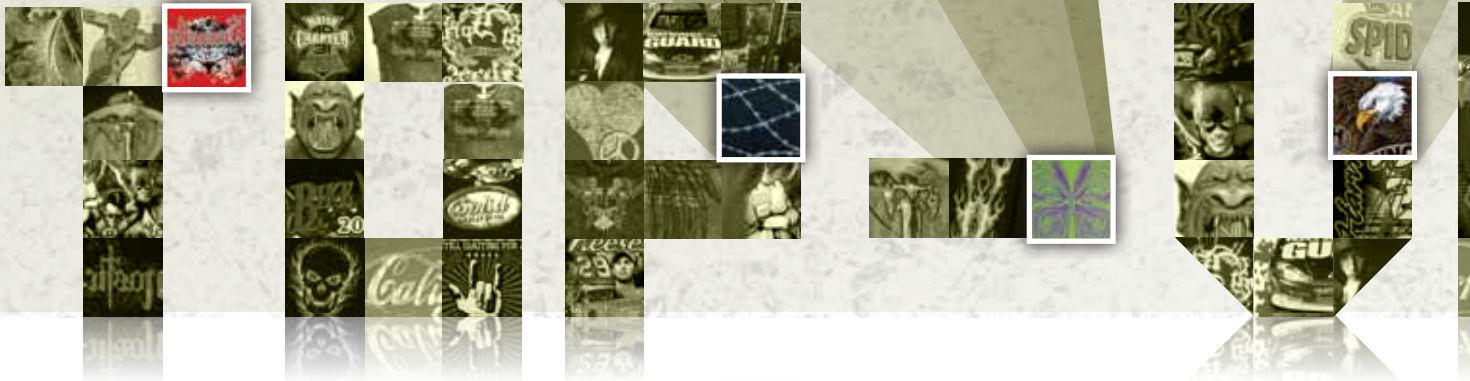




FORTUNE FASHIONS INDUSTRIES (No. 1), Vernon, Calif., does these two designs — the butterfly and G.I. Joe — as all-over prints, which continue to be strong. According to Lee Rosenblatt, executive vice president and COO, two other big trends the company is seeing across its client range are prints full of pizzazz — foil, flock, specialty inks, etc. — and retro, soft prints. “These are two distinct, separate types of looks,” he says. “But there’s a place for both of them in consumers’ eyes.”



KERUSSO (No. 27) has made a name for itself in the faith-based apparel niche. CEO and President Vic Kennett founded the Berryville, Ark.-based company in 1987 to provide Christian-themed apparel, and has now branched out to include Christian jewelry, gifts and accessories. The company’s T-shirt designs play off of modern icons and retail trends, but the focus is on Christian phrases or beliefs. Several trendy, yet cleverly inspiring designs include “God is My Hero,” which mimics the look of Guitar Hero’s packaging design, and “God’s Squad,” which plays off the colors and design elements of the Geek Squad logo. Showcased here is “Mount Up,” which uses cool colors and a worn, weathered effect popular at retail stores such as Aeropostale and Abercrombie & Fitch.



SHOPS STAY STRONG

Decorators on *Impressions'* annual list of top-volume shops prove that an economic downturn doesn't necessarily mean a slump in production, sales volume or mindset.

By Susie McManus,
Assistant Editor



LIGHTNING PRINTING (No. 45) is the art and printing division of Hot Leathers, Sturgis, S.D., a motorcycle apparel provider. Lightning Printing produces printed garments for the road retail division of the company, with printed apparel making its way to all the major motorcycle rallies around the country, says Paul Resnick, art department manager. According to Resnick, the design (shown here) includes 10 colors, and 175 mesh was used for the white underbase while 305s were used for the colors. The art division printed hundreds of pieces of this design for Daytona Beach's 2009 Bike Week.



THIS DESIGN, nicknamed "Earth Boy," according to Cole Lohman, marketing coordinator for Target Graphics (No. 20), Naperville, Ill., was a sample design the company did for self-promotion purposes. "It's a really cool sample using our HighRes AccuColor process on darks," Lohman says. "We basically went looking for a great image, purchased the rights to it and now use it just as a sample to show our 4-color process. It shows a lot of vibrant colors, good detail and the subject is visually appealing."



IN A TOUGH ECONOMY

As America's collective business community continues to struggle with the longest recession since the Great Depression (though not near the same magnitude), stories of resilient companies — such as *Impressions'* 2009 Top-Volume Shops — offer a beacon of

light during this overcast time. Though the largest companies can be the hardest to fall in weakening economies, this hasn't been the case with our industry's top shops. That these big players remain securely at the top of their game may have a little to do with luck, but probably

a lot more to do with resourcefulness and well-earned reputations.

Impressions is pleased to report that the 2009 top-volume chart welcomes back many shops seen on previous years' lists — in fact, 35 of the 50 decorators from our 2008 listing return this year.



THOUGH SAN ANGELO, TEXAS-BASED GANDY INK (No. 29) screen prints and embroiders apparel for various types of customers, its niches are in the school and band sectors. The company has had great success with custom-designed school T-shirts for sports teams, mostly due to the expertly designed artwork and blending in of popular retail looks seen at teen and college stores such as American Eagle.



Of the top 50 decorators showcased in this article, 33 reported increases in piece volume for 2008 over 2007, and 12 of the 33 experienced increases of more than 10%.

In terms of top-line revenues, 27 of the 50 top-volume shops reported sales volume increases in 2008 over 2007, while 13 reported declines, and the remainder either declined to provide this data or were flat.

Most reporting positive results credit that success to proactive positioning, which included running leaner processes across the board, delivering unrivaled dedication to customers, and staying tuned in to design and apparel trends.

FOURTH QUARTER FLOP

Though signs pointed toward a recession for several months in mid-year, it wasn't until the very end of 2008 that a year-long downturn was officially declared. In last year's fourth quarter, many decorated apparel companies were shaken.

"[Last year] was a challenging year in that we were on track to outperform 2007, and then the fourth quarter came and business slowed substantially," says Scott Skinner, vice president of operations for Impact Design (No. 9), Shawnee Mission, Kan.

Michael Feezor, president of Applied Pressure Inc. (No. 28), Chatsworth, Calif., says his shop also experienced a drop in the fourth quarter, and that it was indeed an eye opener. "The first three quarters of 2008 were fantastic, but by the end of the fourth quarter, the brakes were put on and the rug pulled from under us," he says. "Luckily, we saw this coming and prepared

our staff for hiring and salary freezes. We started running as lean as we ever have and became even more profitable. It's truly a lesson in being humble with the work that you have and finding ways to sustain personnel, production and profits."

Many of *Impressions'* top-volume applicants commented on a significant drop in production and sales during the last quarter of 2008, which is understandable as U.S. consumer confidence took a nosedive in September. "We definitely saw a dip in the fourth quarter of 2008, but were still able to have a very profitable year," says Cole Lohman, marketing coordinator for Target Graphics (No. 20), Naperville, Ill. "With this economy, we had to realize quickly that the normal rules we played the game by didn't matter anymore."

TAKING CHARGE

Though many top shops' year-long numbers remained positive despite the fourth quarter decline, that didn't mean they kept doing business as usual. The fourth-quarter drop off prompted many to take a hard look at how their companies were running and evaluate where cost-cutting adjustments might be made. It's precisely that type of thinking that keeps this industry's high-volume guys not only up and running, but doing so profitably.

"We're having our best year ever in 2009," says Mike Shock, COO of Thunder Creek (No. 10), Baltimore. "We knew the economy was going to be tough, and while most people are sitting back stunned,

we're going out and finding the work."

"We continue to focus on ways to increase output and efficiencies," says Renelle Cadena, director of information for Trademarks Promotional Products (No. 13), Houston. "We looked at all aspects of the business and had good input and ideas from employees." From this, the company adopted a "work smart" mentality, she adds. "[For example], we now have better use of temporary employees during peak months instead of permanently hiring a person, which helps to keep employee costs down."

T-Formation, Midway, Fla., which moved up to No. 8 after placing at No. 10 on *Impressions'* listing each of the past two years, is a perfect illustration of the positive results of reevaluating internal processes and implementing more efficient procedures. "We're always trying to eliminate wasted steps, and non value-added procedures or systems in the company," says Marshall Atkinson, vice president of operations. "Our ink supplier, Nazdar, sent out what it calls a 'lean expert' to assist with our process mapping. It really helped us look at all of our systems, and see where we can become more efficient. We're now asking ourselves if the crew is meeting its goals for how many impressions are done an hour, what's the setup time and so on."

Atkinson adds that T-Formation is stressing visual communication now more than ever. "We needed our staff to see things better," he says. "Our facility manager started taking digital images of different supplies, like a can of spray tack or shop towel. He then taped [the different] pictures up on the wall alongside the cost of each item so our employees can see how much stuff costs. Visual aids help people get focused on the little costs — all of those nickels and dimes and dollars do add up at the end of the year. And since the beginning of this year, our overall expenses are down \$10,000 to \$15,000 based on where we were the previous year."

For Texas Art Embroidery (No. 36), Houston, becoming more efficient also is a must. The company reported revenues slightly down in 2008, and anticipates being a little further down in 2009, according to Randy Sheinberg, vice president. "We're looking at things we didn't take the time to look at before," he says. "We've been digging in and finding inefficiencies,



ONE OF T-FORMATION'S (No. 8) top clients is Coca-Cola North America. Here are two designs the top-volume printer completed for Coca-Cola promotions. According to Marshall Atkinson, vice president of operations for the company, a Coke representative designed the Cinco de Mayo shirt, and T-Formation separated it to 11 screens for printing. The company has Coke Red ink specially mixed for them by Nazdar. "We printed 22,848 shirts with this design, and separated it in Photoshop using channels," Atkinson explains. "Some shops may have printed this as 4-color process, but we choose repeatability and having stable colors so we can print this at any time, and set it up and know that it will be an exact match every time, no matter what press it's printed on." T-Formation art director Vinco Labolito designed the other showcased Vault shirt. It was printed with five screens, and, except for the underbase white layer, the other layers were printed using 255 screens for a softer hand on the shirt, Atkinson says.

then cutting them out, and it's like finding money. We streamlined and cut personnel, and now [we] have people doing more than one job. One position we did add is a floater, which is a person whose job is to make sure machines are threaded, and also prepares items before a production run. That way, the operator isn't straddled with those types of things, and [jobs] are done more quickly."

Though Texas Art's numbers have declined slightly, Sheinberg believes the shop is healthy enough to remain solid. "We run a fairly conservative business, which is a good thing, especially these days," he explains. "We prefer to not grow by leaps and bounds, but in intelligent, incremental steps."

STILL GROWING

Though some of this year's top-volume players are carefully watching their expenses and holding off on expansions or new equipment purchases, Underground Printing (No. 39), Ann Arbor, Mich., took a more aggressive approach and added six retail locations in 2008.

"Three years ago we opened our first satellite store in Ann Arbor, Mich., where people could place and then pick up their orders," says Rishi Narayan, managing member. "We just opened our 11th location last year, in Morgantown, W.V." Underground Printing's niche is in the colle-

giate market, and Narayan estimates that this sector accounts for 40% to 50% of the company's sales. He reports that so far, the company is up 40% in piece volume this year, and that he was surprised at how much sales at the older stores are growing. He adds that this also means there isn't as much pressure on the newer stores.

Underground Printing has targeted colleges effectively, placing all 11 of its storefronts near big-campus schools. "We have a lot of different criteria for deciding where to add retail stores," Narayan says. "We look at the size of the school's student body, number of student groups, how active groups are, how long it will take for a near-campus storefront to open so we can move in, etc."

The recession impacts the college market differently, says Narayan. "We're starting to feel the economic effects now that it's summertime," he says. "The college environment doesn't feel recessions like everyone else does, which is both positive and negative. College students don't spend tons more when the economy is good, but also don't spend a lot less when it's down." He says he expects business to rebound when students return for fall semester. Until then, the company is working toward picking up more non-collegiate jobs.

In addition to expanding locations, Un-

derground Printing also added equipment, bringing in two M&R Sportsman automatic screen printing presses, a 2-head Tajima embroidery machine and a Flexi-Jet direct-to-garment printer in 2008. "We haven't done as much with the DTG machine as we would have liked," Narayan says. "We purchased it so we could provide one-offs, but then we got busy and let it sit for too long and the print heads clogged up. We do plan to get it up and running for the 2009 fall semester."

Thunder Creek's Shock says the shop also invested in a direct-to-garment printer in 2008 for direct-to-consumer ease of purchasing. "We've set up our Web site so customers can pick through a library of art [for a graphic to be printed onto a chosen garment.] Then they can customize around the artwork they pick," Shock says. "We've streamlined the process by creating our own software where they can place their order customized to their liking, [and every detail we need for the job] is bar-coded for our end, and then the customer's credit card is charged. It's a system that's grown very well for us."

For Fortune Fashions Industries (No. 1), Vernon, Calif., a big step into sublimation helped the company reach sales of more than \$180 million in 2008. The company is now completely vertical in the sublimation process. "We now [print

DECORATORS 2009

COMPANY	2008 Decorated Units	% Change: Piece Volume
1 Fortune Fashions	37,682,320	More than +10%
2 Apsco Sports Enterprises Inc.	13,913,096	+4.5%
3 SLD of adidas	10,455,233	+4%
4 AMPRO	8,969,000	-10%
5 G&G Outfitters	8,688,625	More than -10%
6 Art FX, Inc.	8,590,000	+2%
7 ETF Tekstil Konf AS	7,000,000	+3%
8 T-Formation	5,236,303	+9.5%
9 Impact Design LLC	4,324,000	0
10 Thunder Creek	4,200,984	More than +10%
11 C.C. Creations	3,680,000	+8%
12 Screen Works Inc.	3,431,294	More than -10%
13 Trademarks Promotional Products	3,269,474	-10%
14 Bon-Jour Embroidery and Promotions	3,222,400	+8.5%
15 Printex Inc.	3,100,000	More than +10%
16 Super Embroidery and Screenprinting	2,893,000	-3%
17 Innovations In Print	2,765,000	More than +10%
18 Lilly daVid	2,500,000	-10%
19 Silva Screenprinting & Distribution LLC	2,137,362	+4.5%
20 Target Graphics, Ltd.	2,128,309	-9%
21 Eagle Promotions	2,000,000	+2%
22 Screenworks USA	1,952,000	+2%
23 Pacific Sportswear	1,892,270	More than +10%
24 Top Promotions	1,868,029	+7.5%
25 Pony Xpress Printing, Inc.	1,600,000	More than +10%
26 Tee's Plus	1,514,805	-10%
27 Kerusso Inc.	1,429,414	+10%
28 Applied Pressure Inc.	1,375,000	+2%
29 Gandy Ink	1,343,276	More than +10%
30 East Coast Screen Printing	1,300,000	0
30 Motion Company	1,300,000	More than -10%
32 Kenmar Shirts Inc./Apparel Printing	1,250,000	+5%
33 Sunflower Marketing	1,229,344	-7.5%
34 Techstyles Sportswear	1,185,000	+9.5%
35 Heritage Screen Printing, Inc.	1,175,000	+5.5%
36 Texas Art Embroidery	1,157,000	-5%
37 Studio 1204, Inc.	1,106,327	-4%
38 MainGate Inc.	1,095,194	-5.5%
39 Underground Printing	1,015,682	More than +10%
40 Headmost Int'l., Inc.	993,892	+5%
41 Safari Sun	978,324	More than +10%
42 Blue Dolphin Screenprint and Embroidery	971,665	+9.5%
43 Graphic Connection	887,000	+6.5%
44 Sunline Products	878,409	More than +10%
45 Lightning Printing	864,507	+6%
46 High Peak Sportswear	791,000	-7%
47 Fox Screen Print & Embroidery	784,000	+8%
48 Info Screen Printing	752,295	0
49 To a Tee	598,509	More than +10%
50 American Outfitters LTD	574,407	More than +10%

ONES TO WATCH

51 Madden	571,181	-8%
52 Powers Creations/Transgraphics Inc.	549,276	+5%

For the locations and Web site addresses of *Impressions'* 2009 Top-Volume Decorators and Ones to Watch, please visit impressionsmag.com/2009topvolume.

and heat-apply our own sublimation transfers], which allows a much quicker response time, rather than relying on a contract sublimator," says Lee Rosenblatt, executive vice president and COO. "Sublimation gives a soft hand [to prints], which fits into the retro look, and that's quite a big trend now."

TUNING IN TO TRENDS

Conscious attention to top retail trends that can carry into the decorated apparel marketplace is one more quality that keeps top-volume shops at heights above the rest. In addition to cutting inefficiencies and streamlining internal processes, none are dropping the ball on trend watching.

Oversized and allover prints — as made popular by retail brands such as Ed Hardy and Affliction Clothing — still impact customers' design requests. "The trend is definitely big, oversized prints — everything seems to be going in that direction," Rosenblatt says. "Foil also is big, and same with flock. Any kind of pizzazz, people seem to really like."

"I would say that our industry has broken through into hip ground," says Target Graphics' Lohman. "Prints are on the shoulder, the waist and allover the shirt. The challenge is to reengineer what our customers are seeing on the retail racks. We have to make sure [what they want] is efficient to produce and in their price range."

As with discussion of almost any fashion trend, not everyone agrees. "You see Affliction-style shirts, but it's a trend like any other trend," says Underground Printing's Narayan. "It's dropping off now. What I am seeing stick throughout our customer base is the draw toward higher-end shirts, ones that offer a better cut and thinner weight."

"Allover [printing] is going away," says Thunder Creek's Shock. His firm did invest in the equipment to have allover printing capabilities, but now is using those machines more often to print neck labels, he says. "When we were deciding whether to buy [the equipment for all-over printing], we thought about what we could use it for after allover goes away. Now [the machines] are jammed all the time printing neck labels."

"We messed around with the oversized trend," says T-Formation's Atkinson. "But



it didn't work with our business model — it really slows our presses down. A lot of these trends pass. Three years from now, the trend could be microprints!”

One trend most top-volume shops agree isn't going away is the move toward eco-friendly apparel, supplies and processes. “We're using a lot of organic tees,” Fortune Fashions' Rosenblatt says. “Our prep work is now much greener. Our hangtags are made from recycled paper, and we're using more green-friendly chemicals all the way through. It's one of the reasons we've been honored by Wal-Mart and asked to be on their committee for sustainability.”

“We do offer a full gamut of eco-friendly products,” Narayan says. “Alternative fiber shirts we sell are definitely increasing [in popularity]. We see customers more passionate about it [possibly more so than other companies] because we're on college campuses, and see a lot of movements

[toward being green]. At all of our stores, for orders under 48 shirts, we've stopped using boxes. Instead, we give customers a large eco-friendly tote to carry out of the store. Now we're going through hundreds and hundreds of these bags every month.” He adds that a plus to this initiative is that Underground's name is printed on the bags, which is good for advertising, while at the same time benefitting the Earth.

OUTLOOK FROM THE TOP

Of course not all decorators have seen an uptick in volume, and some are quite cautious as they wait for the economy to improve.

Fortune Fashions' Rosenblatt says the company is looking at the rest of 2009 as fairly OK, after experiencing a +10% volume growth in 2008 “We've never seen anything like this,” he says of the economy. “It's very hard to predict what will happen, but we're monitoring our

business continually. We have constant production meetings, and are [operating] in an accordion-like manner: We work less when we need to and more when we need to.”

“We're seeing that our top 30 clients are down, but we're also getting new clients,” T-Formation's Atkinson says. “We have seen a lot of situations where we're getting underbid on jobs, and it shows me that people are underbidding just to keep their presses running. It's not good for our industry, and whoever is running their presses at low prices will not in the end be a profitable venture. One of the reasons we're doing well is because we're strengthening relationships with our clients. We're taking price shoppers out of our equation, and instead showing clients that we can add value to that proposition. By giving people more for their money, I believe a good CFO will think that we're solving problems for his

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TECHSTYLES SPORTSWEAR specializes in resort apparel. Here's an example of one of the top-volume shop's designs, which features trendy details including glitter ink and off-centered design placement.

company and making it easier for them to do business with us."

Target Graphics is staying strong by seeing what other ventures can help it pump profits. "What opened our eyes to opportunities outside of our industry," Lohman says. "We recently did one specialty printing job for the packaging of a CD box set."

Texas Art Embroidery also is diversifying. "We can't rely solely on contract work to remain efficient and profitable," Sheinberg says. "We also sell hard goods, and are looking at niches such as appliqué and the sporting goods market. The pie is only so

big for embroiderers doing left-chest logos or caps. You have to find other markets to weather economic storms."

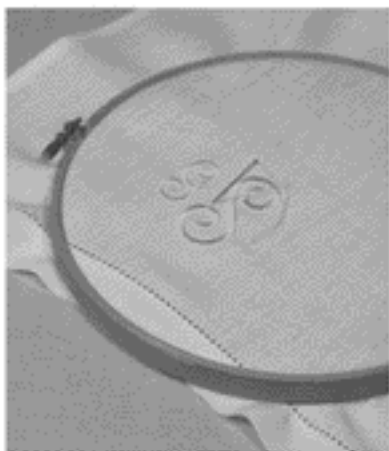
"I do remain forever optimistic," he adds. "I've seen a weeding out of smaller players in this industry [due to the recession], and [after its over], there will be fewer embroiderers out there, but with stronger operations. All you can do until the economy turns around is trim personnel, review your production schedule every morning and keep customer service up. This is a different time unlike anything I've ever seen before. Everybody's customer service is phenomenal, includ-

ing thread and apparel suppliers. Before, we got so busy, and maybe let customer service slide a little. But now, contact with customers is the most important thing. We're asking, 'What incentives can we give you?' to our customers. I've been doing this job now for 30 years, and despite tough times, I still love it." ▲

Susie McManus is assistant editor at Impressions magazine.

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