

Made-in-America takes center stage at SEAMS' Fall Networking Conference

By Devin Steele

GREENSBORO, N.C. – SEAMS hosted another successful Spring Networking Conference here in September at the Grandover Resort, where they welcomed eager attendees who came to gain the latest information and insights into bringing sewn products/textile/apparel manufacturing back to the USA.

Oh, and, of course, to NETWORK – a critical part of SEAMS' existence that puts many supply chain players in the same room together to meet, discuss issues and challenges and explore collaborative possibilities.

The value of the association continues to resonate with Made-in-America stakeholders throughout the country. That is evidenced by the fact that, at the time of the meeting, 36 new members had been added this year, bringing total membership to more than 200, reported SEAMS' Executive Director Will Duncan.

“We’re really pleased with those numbers, and I want to thank all of you for that,” Duncan said during the opening session of the two-day conference. “We do a lot from our office and at trade shows and through social media, but you guys can do as much if not more than any of us. And I know many of you do. So please help us if you can. If you’re talking to people and you think they might have interest in SEAMS, please send me their information and I’ll follow up with them. We want to continue to grow and make this industry strong again.”

SEAMS' President Matt Poovey, president of Champion Thread Co., Gastonia, N.C., credited a presence by the association and members at various trade shows for playing a crucial role in raising awareness of the unique organization – while helping its members. As such, he strongly encouraged members to participate in the next Texprocess Americas (TPA) trade show, scheduled for May 12-14, 2020 in Atlanta. SEAMS has secured what will be its largest-ever Supply Chain USA Pavilion at TPA, available only for SEAMS' members. The pavilion positions companies at the center of attention in the Made-in-America movement on the show floor.

“Texprocess Americas 2020 will be here before you know it,” he said. “I don’t know if everyone here has participated in the past but I would say by a mile it’s the best show in the industry. For Champion, we get more traffic and more business out of TPA than any other show we go to. We do have a limited number of spots left in our Supply Chain USA Pavilion. I highly encourage you to sign on. It is a great show.”

Later, Duncan encouraged members to also participate in SEAMS 3rd “Supply Chain USA” pavilion at the Sourcing at MAGIC trade show set for Feb. 5-7, 2020 in Las Vegas.

During the day, Duncan and Poovey also both heralded the value of SEAMS' social media presence and activity through association and member messages reaching thousands of eyeballs daily.

“Social media has become a really important platform for our association,” Poovey said. “It does so much to promote our association. If you like a post, that’s good. But please share those posts. Our reach in the last few years is probably three or four times what it had been traditionally, and it’s all through social media.”

SEAMS posts association updates, member news and links to articles on its [LinkedIn](#), [Facebook](#) and [Twitter](#) pages, and recently added an [Instagram](#) page to extend its reach.

Another valuable benefit of SEAMS' membership that is connecting links in the supply chain is the [Power Search Tool](#), launched a year and a half ago.

"That is the portal to the world to find our members," Duncan said. "You can go there and find whatever you're looking for – a thread manufacturer, a children's wear manufacturer, fabric, whatever you want. Please use it and encourage others to use it."

He also urged members to update their profiles on the tool with succinct descriptions, logos and pictures, if they haven't done so already.

A rich roster of speakers included diverse topics such as sourcing; on-demand manufacturing; sustainable, local-for-local production; an eye-opening Millennial panel; and networking sessions.

And an always valuable part of SEAMS' networking conferences was again the individual introductions segment built into the program, where attendees introduce themselves and their companies to the group.

Officers, directors elected

Poovey kicked off the meeting with the election of new officers and directors for 2020.

Officers elected were:

- President, Jeoff Bodenhorst Jr., president of Lebanon Apparel Corp., Lebanon, Va.;
- Vice President, Chris Marsh, president of Hemingway Apparel, Hemingway, S.C.;
- and
- Secretary/Treasurer Ron Roach, president of Contempora Fabrics, Lumberton, N.C.

Supplier directors elected were:

- Marty Bailey, Tukatech, Los Angeles, Calif.;
- Alex Whitley, Contempora Fabrics, Lumberton, N.C.; and
- Brent Jones, Henderson Machinery, Greensboro, N.C.

Directors elected for 2020 were:

- Gloria Barbee, Grand Forest, Inc., Summerville, S.C.;
- Jackson Burnett, Vapor Apparel, North Charleston, S.C.;
- Tim Shirley, Mount Vernon Mills, McCormick, S.C.;
- Wayne Wilson, Prime Medical, Largo, Fla.;
- Britt Moore, Minnesota Knitting Mills, Mendota Heights, Minn.;
- Dennis Jackson, Venus Group, Fort Lawn, S.C.; and
- Mindy Martell, Clothier Design Source, St. Paul, Minn.

Keynoter: Reshoring trend is real

Day 1 keynoter Aaron Ledet, vice president of Americas Sourcing at VF Corp., discussed "Sourcing Strategies for the Americas" around the issues of cost, quality, service and responsible sourcing. To start, he projected a chart on current apparel production worldwide, showing that China accounts for 42 percent of apparel entering the U.S., followed by Vietnam (13 percent), Bangladesh (6 percent), Indonesia (5 percent) and India (4 percent).

“If you take those five countries, that’s 70 percent of the apparel sold in the U.S. today – so it’s predominately coming from Asia,” he said. “But we are seeing a trend for some apparel production to come back to this region. It’s not all of it and it’s not happening especially fast, but it’s definitely happening.”

Related to costs, Ledet said that at VF, he has yet to find a brand that will pay more to get a product faster.

“They’re willing to pay the same, but they’re not willing to pay more,” he said. “It’s not an easy business. There’s a lot of tension at the top end on retail pricing, so there’s a lot of tension on the lower end with costs as everyone is trying to get the gross margin to run their business.”

But there is a shift in how cost is viewed, he continued.

“At one time, everybody looked at FOB (free or freight on board), or what you pay the factory,” Ledet said. “They ignored all the costs it took to get it into the U.S. We’ve seen that shift in how people are looking at the bottom-line costs. They’re including things like duties, shipping and, in some cases, if they’re sophisticated – some of our brands are – things like inventory carrying time because it’s a longer lead time, and they’re including the cost of irregulars if it’s a higher-risk factory. So there is shift from FOB to bottom-line costs. But still, the emphasis is that nobody is going to pay more for that bottom-line cost.”

Therefore, retailers and brands are and need to continue to take advantage of free trade agreements that benefit this hemisphere, including NAFTA/USMCA (if passed); CAFTA-DR; the Colombia FTA; the Peru FTA; and Hope II FTA for Haiti.

“These free trade agreements give duty-free status to our products into the United States. So it’s really an important differentiation for us that allow us to compete with Asia,” he said. “When we do analyses comparing costs from Asia to our region, without that duty-free status, we really struggle to compete cost-wise.”

On the quality issue, Ledet said: “Frankly, I don’t want to manage quality. I want the factories to manage quality. They have certified quality managers. We similarly do a process audit.”

On service: “Service to us is reliability,” he said. “If a brand has the confidence to place a product in our office, they’re going to get it on time. So we spend a lot of time focusing on on-time production and shipping in our factories.”

On responsible sourcing: “We’ve always done things this way,” he said. “Consumers are taking a strong interest in this. It’s become a real value proposition. We have what we call stakeholder engagement. There are individuals and lots of groups that pay attention to this now and they watch you and pay very close attention. They want to make sure you’re treating your people fairly and they’re working in good conditions. Our customers and end-users really want to know.”

In the Q&A, one member summed up one of the issues with which SEAMS is deeply entrenched: Having a strong supply chain to deliver to brands and retailers.

Said the attendee to Ledet: “You’re in a quandary here. You’re a big player in the market here in the U.S. and you have a lot of eyes looking at you right now wondering what can you do for them. You showed a slide on your delivery performance. When you add two key components, it was 75 percent of your missed deliveries. And that is factory capacity and raw material delivery. That tells a heck of a message, because if you look at what’s

happened in the industry over the last 20 years, it's been a sucking hole – and that's machinery, factories and people exiting. But now everyone is following Walmart, beginning to say, 'hey, let's bring back X billion dollars worth to the U.S.,' and we're hoping that there are others who are truly going to follow their word and try, too.

“But it also highlights what we need to do as a manufacturing arm to make the decisions easier for you to say, ‘yes, I am going to bring work back to the U.S., but first I need to see Lean Manufacturing. I don't want to walk into a sewing plant that looks like the one my mother worked in.’ And that's a go-do for us. Secondly, we have to have that strategic partnership up front and early so that people can go invest in the capital that's going to give them the automation and a much better yield than this right here. Or they've got other automation – PLC-driven machinery, maybe fewer people, but it is providing jobs to the community that they maybe didn't have before. So you're in a tough position. I definitely see that. But it's a two-way street. We have to step up and then when we step up, it's going to make your decisions easier to bring products back.”

Ledet answered by putting up a slide showing a McKinsey study released last year asking the question: [Is apparel manufacturing coming home?](#)

“It's a very interesting article on near-shoring, reshoring, automation and sustainability,” he said. “It basically says that when you're looking at bottom-line costs, the world is starting to level out a little bit and there are opportunities for near-shoring. And they take a position that automation in the sewn part of our industry is definitely coming and when it comes and reduces labor content, then it's going to level that playing field even more. Honestly, I think they're a little optimistic on their timeline as far as automation for apparel and sewing. But they're really smart guys with a lot of useful information, so I don't want to second-guess them too much. But it's coming, I think.”

On-demand and personalization trend

Later, Teodora Nicolae, marketing manager, fashion and apparel at Lectra, Smyrna, Ga., covered “From Supply Chain to Demand Chain: New Industry Opportunities and the Growing On-Demand + Personalization Trend.” She offered an in-depth look on the topic, initially asking, “why care about on-demand and personalization? Because your customers care.”

Forward-thinking manufacturers who understand the business value behind on-demand business models and offer their customers the ability to transform traditional business and production models in favor of consumer-centric, “demand-first” processes will be the players who thrive in the deeply changing industry.

The industry, she noted, is changing, sophisticated, fast, under pressure, personalized and tech- and data-driven. She went on to describe the “new consumer” who is savvy in digital, mobile and social media; desires quality over quantity; is apt to “see now, buy now;” desires the “ultimate customer experience;” wants a personalized brand relationship; and is adamant about sustainability and ethics.

Regarding personalization, Nicolae said, “74 percent of Millennials and Gen Z are interested in buying products that are personalized to their taste or made specifically for them. Forty-two percent have at least one personalized product, and 20 percent of consumers are ready to pay a premium for a personalized product.”

A new way of doing business, she continued, is moving from “take, make, dispose” to a tailored approach to creating what consumers want. The model changed from production (B2B) around 1990, to creation (B2C) around 1998, to co-creation (C2B) now, she said.

U.S. retail's stock-out and overstock losses total \$300 billion annually, and 40 percent of brands losses are in markdowns due to long lead times from offshore producers, she added. The retail winners will be those who build faster, more flexible supply chains, Nicolae noted.

She went on to deep-dive into the topic, with near-shoring and reshoring figuring prominently into the new reality for manufacturers and retailers/brands, she said. According to recent survey results published by [McKinsey, The State of Fashion 2019](#), 60 percent of apparel procurement executives expect that over 20 percent of their sourcing volume will be from near-shore by 2025.

The Triple Bottom Line: People, Planet, Profits

Day 2 keynoter Eric Henry, founder and president of TS Designs, Burlington, N.C., discussed "The Triple Bottom Line Journey – Building a Sustainable U.S. Brand & Supply Chain." TS Designs is a screenprinting company committed to sustainability that offers unique T-shirt brands that focus on local, transparent supply chains.

After NAFTA destroyed its business and customers such as Nike, Tommy Hilfiger, GAP moved their business overseas around 1994, TS Designs changed its mission to be a successful company by adopting a triple bottom-line model of People, Planet and Profit, he said.

To realize these goals, the company adopted the REHANCE process for garment dyeing, which is a more environmentally friendly, higher quality alternative to traditional T-shirt printing methods that is unique to TS Designs. In addition, the company has undertaken a number of sustainable initiatives such as operating trucks that run on biodiesel, using solar energy and using skylights to limit electrical lighting needs.

Also, TS Designs started Cotton of the Carolinas, a program of raw material procurement that offers a level of transparency not found anywhere else, Henry said.

"Every shirt can be tracked from the farm to the finished product using a combination of unique color threads found on the inside of each T-shirt," he said. "If you're tired of buying clothing with nothing but a meaningless country of origin on the tag, then this is the shirt for you. Know what you're buying and who it impacts."

The company also is launching a trackable size tab with a QR code where consumers can view TS Designs' entire supply chain. "We will give you the most information we have available," he said. "It will be our first foray to have a consumer-facing brand."

Henry, also a strong advocate for hemp fiber production, said he is excited about the possibility this brings. He presented a white paper at the Outdoor Retailer Show over the summer that covers TS Designs' vision for hemp.

"It's now legal to grow hemp in the U.S., but we have no infrastructure," he said. "Farmers can grow it, but there's no infrastructure to create a spinnable fiber. Once I get that spinnable fiber, I'm good to go. We're looking at blends of hemp and cotton, with a focus on natural fibers. What I like about hemp is, A) it's a natural fiber; and B) it will add a lot of durability to cotton. I like to say that one day I'll have a hemp pair of jeans instead of a cotton pair of jeans. You'll outgrow a hemp pair of jeans, but you won't outwear them. That stuff is bomb proof. The thing I'm advocating with the brands is we have an opportunity to create a new supply chain. We can start from scratch."

Henry later discussed treatment of employees and how that should be a differentiator for U.S. companies.

“We have a responsibility to the people who work for us to pay them a living wage, and we do that at TS Designs,” he said. “How can a person be an impactful employee if they have distractions in life such as not being able to afford basic necessities, having to live off fast food, not having healthcare, etc.?”

Busting Millennial stereotypes

In a new and exciting presentation, the “young folks” took the stage during a panel session, “Shaping the Future of Our Industry – Millennials.” Panelists included Ryan Smith, Printcraft; Sean Burke, Henderson Machinery Co.; Brittany Beam, Carolina Cotton Works; Rachel Evans, Manufacturing Solutions Center; Xochil Scheer, The Chicago Pattern Maker; and Claire Crunk, Southeast Hemp Fiber, LLC.

In introducing the panel, Duncan defined the term “Millennial” and offered a few insights into their impact on the workforce and society.

“Millennials were born between 1980 and 2000,” he said. “They’re the most diverse and educated generation that we’ve ever had. They are now the largest generation in the U.S. and comprise over a third of our population. By 2020, they will make up 50 percent of our workforce. By 2025, 75% of the workforce will be comprised of Millennials.”

A [hilarious music video](#) highlighting Millennial stereotypes then proceeded an insightful panel discussion that busted many of those stereotypes, offered a glimpse into their mindsets and likely proved their potential to many of the possible doubters (i.e. the older set) in attendance.

The conference ended with valuable, in-depth “Developing New Business Alliances” networking sessions.

And during a dinner session, Hamrick Mills’ sales reps Jim Hopkins and Roy Lockett were presented the Sarah Friedman Award for their longtime service to the association. Friedman served as executive director of SEAMS for nearly two decades before retiring in 2017.