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HIND

Sports Winning Attitude

A leading performance sportswear manufacturer, HIND Inc. is a working example of successful 100 percent U.S. production.

by Susan S. Black

ONE YEAR AGO, Greg Hind, the 46-year-old founder and chairman of HIND Inc., made good on a promise that most of his competitors labeled a dangerous business experiment: He finished bringing all of his \$30 million-plus company's apparel manufacturing jobs back to the United States.

In deciding to pull the plug on production in Asia and Latin America, Hind, who has always done a major portion of his production in the United States, had two goals in mind. One, he wanted more direct control over the fabrication of his products, and two, he had a strong desire to create fair-paying jobs for U.S. workers.

Some people told Hind that 100 percent domestic production couldn't be done, but today this leading manufacturer of performance sports apparel is quieting its critics with these results: Spring sales are projected at 150 percent higher than last spring's, and jobs have been provided for apparel workers in three relatively remote areas of the United States (San Luis Obispo, CA; Wenatchee, WA; and Hugo, OK.)

Says Hind: "People say that they



HIND Inc. produces some \$30 million of athletic apparel per year, for sports ranging from cycling to cross-country skiing to aerobics.

must contract their work offshore to make a profit. But what is really driving these jobs overseas is the unwillingness of the great majority of U.S. apparel firms to take on the challenge of manufacturing their products in the United States at competitive prices."

Like many apparel manufacturing firms, HIND originally went offshore because it was unable to find U.S. contractors for some of its products. But poor workmanship, the lack of quality and inventory control, and, finally, what it considered exploitation of workers, caused the company to reassess its position.

"I feel that finding opportunities for exploiting labor is basically following the course of least resistance and realistically has only short-term benefits for a limited number of people, as opposed to building a solid base for future expansion of what should be essentially an American industry," says an emphatic Hind.

As to treatment of workers, Hind says he discovered the most "alarming" practices in shoe factories. "It was when we were about to get into the shoe business that we real-

ized how unfriendly the overseas facilities were to both personnel and especially the environment. We dropped the project because the company that held the license was beginning to fall victim to the concept that the easiest way to respond to a challenge is to manufacture in Third World countries rather than in the United States."

Interestingly, as a result of this corporate redirection, which HIND has communicated broadly and loudly, domestic contractors are being found. "When we decided to stop overseas production on all of our products, including gloves, we didn't think we'd be able to find a glove supplier in the United States that could meet our quality standards at a competitive price," says Hind. "But by searching, we found a glove maker just 20 miles away from our San Luis Obispo headquarters."

Beginnings

Founded in 1967 with a single product — a plastic ear-guard to prevent debilitating water polo injuries — HIND now makes hundreds of products and apparel lines, headlined by its Sporttight. When the company introduced the Sporttight more than a decade ago as the first nylon/Lycra® spandex tight designed for running, it spent an entire year's advertising and promotion budget on one ad in a national sports trade journal. The move paid off, eventually launching HIND into producing athletic apparel for cycling, aerobics, cross-country skiing, rock climbing, football and a host of other sports. And though imitators have jumped into the market aggressively, the Sporttight still is one of the company's best-selling items.

HIND originally designed products for high school and college athletic



HIND Inc. founder Greg Hind has made employee betterment a top priority in all three of the company's manufacturing plants.

HIND Puts People First

HIND Inc., a 100 percent U.S. producer with three factories, makes it a point to produce all of its performance sports apparel in the United States. But aside from simply providing jobs, the company also has made it a point to develop progressive employment and workplace policies.

Here's a sampling of HIND's programs: English classes for non-English speaking employees; company-subsidized health club memberships; extended lunches for those on fitness programs; personal financial planning seminars; on-site health fairs; and in-house, low-cost lunches.

Line workers also benefit through quarterly forums with senior management called Employee Advocacy Committees, where workers at all levels are encouraged and allowed to freely discuss workplace issues and can expect an immediate response and resolution.

Additionally, the company takes pride in its clean, well-lighted and safe plants. For example, injury statistics for 1991, the last year for which U.S. Department of Labor information is available, show HIND's accident rate was 60 percent of industry average, and the lost workday rate was 39 percent of industry average. Moreover, Occupational Safety and Health Administration (OSHA) inspectors, local fire department inspectors and other regulators are invited by HIND officials to tour facilities at their option.

Also of interest, 65 percent of the company's promotions are being won by women professionals, who make up 54 percent of the professional staff.

As company founder and chairman Greg Hind sums it up: "What we are building is an organization that makes people want to come here, want to work here and want to be a part of what we are building."

teams, and it was driven mostly by demand on a few items. But in 1982, several sporting goods dealers convinced the company to offer its apparel to the public. Hind took the plan to heart, and turned his company into a high-end manufacturer of completely

cross-merchandisable lines of women's and men's athletic apparel.

Even so, Hind was intent that the availability of his products not "depend on the taste or whim of any single distribution channel," a policy which is still maintained today. As a result, he offers, "If products are not found in local retail outlets, consumers can order by telephone from our catalog or visit one of our own six factory retail outlets."

HIND's successful beginnings also can be traced to its pioneering the development of unique, functional fabrics — and finding new applications for existing ones. For example, HIND met the running boom of the 1980s with running wear made from its swimwear fabric, its first apparel line in 1967. Moreover, HIND participates in joint research with major textile, fiber and chemical companies, often receiving an exclusive period in which to market garments using newly developed fibers and fabrics. HIND helped in developing and conducting field testing with such exclusive fabrics as DryLete™, SoFlex™, Pulsar™ and DryPlex™, to name a few.

As was common with entrepreneurial start-ups 20-plus years ago, HIND faced financial constraints at the outset, and so initially contracted to have its products manufactured by outside vendors. But the firm rapidly developed and expanded its own manu-

facturing facilities and today is one of the few performance sportswear companies making its own products in its own manufacturing plants, which are gradually being transformed into some of the most modern in this industry segment. (See sidebar, "Technology

ENVIRONMENTALLY SPEAKING

Because of its commitment to the environment, HIND Inc. is currently participating in a joint effort with several private engineering firms and universities to develop a way to convert scraps of synthetic fabric back into usable raw material. If a method is devised, HIND could avoid sending several tons of scrap to the landfill on a weekly basis.

Along the same lines, HIND already is recycling more than 150 tons of cardboard per year and has active programs for recycling computer paper and similar products, and has all of its printed

material made of recycled products.

As an illustration of how pervasive this recycling policy is, company founder and chairman Greg Hind recently insisted that a thread supplier recycle the thousands of plastic spools that remain after the thread has been used. This was the first request that the supplier had ever received for such a project, but it could lead to a commitment on the supplier's part to reclaim all of the spools from its customers and reuse them.



Current manufacturing facilities are being expanded to keep up with growth factors that project production will jump from 2 million units in 1992 to almost 2.75 million this year.

Quest for Success.”)

In fact, HIND's current manufacturing facilities are being expanded in all three of the company's locations to keep up with growth factors that project production will jump from over 2 million units in 1992 to almost 2.75 million in 1993. Additionally, sales revenues are projected to grow 30 percent per year for the next five years, according to Hind, with the work force more than doubling (based on a detailed strategic plan for sales both in U.S. and overseas markets).

Moreover, if the company's commitment to excellence can be safely maintained, Hind says confidently that the privately held firm should eclipse \$100 million in sales in five years, with a clear shot at \$150 million if it maintains its worldwide penetration of the market's top segments.

To meet the demands of this aggressive growth plan, HIND's capacity is being expanded as rapidly as possible. The current production work force, which includes the distribution group,

totals 240 people of the 450 in total employment. Hind says the work force will grow depending on how much of the additional volume can be accommodated in-house, with the balance being directed to several high-quality contract manufacturers such as Northridge Mills in Northridge, CA, and Down Products in Seattle, WA.

Guided Growth

To help guide the firm operationally, HIND hired a senior experienced management team last year anchored by J.P. Robert Levesque, president and COO, who was brought out of retirement at age 55 to recruit top-flight managers, run the company's day-to-day operations and prepare a blueprint for its aggressive growth.

A successful business consultant from Southern California, Levesque's background includes several executive positions with the international division of Bausch & Lomb. Levesque acknowledges that he thought his tenure with HIND was only going to be temporary as a consultant.

“But I fell in love with the company and what it represented in terms of ethics and quality,” he says. “And you can feel the enthusiasm and excitement about the future build week by week.”

Levesque has since recruited Steve Tully, a former vice president and national sales manager for Quiksilver Inc., to be worldwide director of sales. Tully, 35, is expected to help guide the growth of HIND the same way he did for Quiksilver, when it jumped from \$30 million in sales to more than \$90 million in a three-year period.

Hind, Levesque and Tully all expect to challenge Quiksilver's record, though they are quick to point out in unison that it's more important to grow in the proper way than to just hang hollow numbers on a scoreboard.

Noreen Austin, marketing consultant, also was recruited by Levesque. Having served as marketing director for the Reebok Pump Apparel line and L.A. Gear, she brings frontline marketing and apparel design experience to HIND, and is expected to allow the company to reach much broader markets than ever before. Already, says Levesque, her impact has been felt with an enthusiastic endorsement of HIND's newly designed women's line by a broad range of accounts.

“What we are building is a management team that can look beyond the next season and manage a growing business in an incredibly dynamic marketplace for the next five to 10 years,” Levesque says.

While there are several new faces

By working closely with textile and fiber companies on research, HIND has often received exclusive periods in which to market garments that are made from newly developed fibers and fabrics.



TECHNOLOGY QUEST FOR SUCCESS

As part of its continuing quest for improved technologies at the manufacturing level, HIND Inc. has made substantial investments in the past few years.

For example, HIND's basic shop floor control system for work-in-process (WIP) tracking is a Leadtec system, driven by an IBM AS/400. Via the very specific and detailed data generated by this system, HIND is continuously refining its plant loading, scheduling and line balancing, as well as improving labor control and payment.

Says company founder and chairman Greg Hind: "These and other systems will allow us to grow rapidly and actually improve customer service, rather than lessen it with a spectacular rise in orders. Without the technology, we could not properly realize our growth goals."

In addition, HIND has installed Karat engineering software, which is used for labor routing and provides engineered piece rates at all three plant locations. The costing data base which is being developed, when used in conjunction with the Leadtec data base, will generate further planning and tracking tools. Finally, rounding out HIND's assortment of technical aids is a Microdynamics CAD/CAM system for grading and marker production.

With the company's bias toward technical fabrics, some of which are difficult to handle and sew, there has been renewed interest in replacing production equipment, or modifying it to reflect the increased throughputs of specialty fabrics.

"A typical case in point is the flatseaming of DryLete™, which had proven to be very difficult until some state-of-the-art [proprietary] modifications were made to the flatseaming equipment," notes J.P. Robert Levesque, HIND's president and COO. "The result has been a dramatic increase in yield given the very high quality standards that are expected from these relatively difficult operations."

Quality, which is the hallmark of HIND garments, is another area receiving increasing attention. While quality procedures are present throughout production, they are highlighted by an operator-level inspection and in-line checks by roving quality assurance personnel.

The emphasis at HIND increasingly is on employee involvement, Levesque notes, with regular line meetings scheduled for both supervisors and production employees. "These meetings have yielded actionable suggestions that can and have been used to maintain, or in many cases, improve the product quality."

Currently, HIND has 0.47 percent returns and spends considerable time analyzing returns and using this data to anticipate and solve potential problems.

For example, the expansion of HIND's fabric inspection area will allow the inspection of 100 percent of the fabric it receives in 1993, a major advantage in maintaining quality specifications.

Also, a number of projects are underway which are geared to cycle time reduction and a subsequent capacity increase with a minimum investment in capital equipment or facilities. The popularity of a number of apparel styles, which carry over throughout the year, allows for the scheduling of specialized lines that can run very efficiently with a minimum amount of interruption. The company is further considering the purchase of an automated spreading and cutting system. ■



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at HIND, what remains consistent is the company's core strategy of vertical integration (exclusive of fabric production). Explains Hind: "Our consistency arises from the company being vertically integrated, which allows us to quickly take an idea, manufacture a product, advertise and promote it and then distribute and sell it without ever going outside of the company."

As such, HIND maintains its own design group with pattern makers and seamstresses/fitters, fabric technology and development departments, in-house graphics capabilities for advertising and catalogs and many other functions common to integrated organizations.

A good example of the advantages found in vertical integration is HIND's "For Women Only" line. It became increasingly clear to HIND that unisex garments did not take full advantage of existing technology to provide active women with performance-enhancing fit,

support and comfort. So it proceeded to fill that need, producing a women's line with its own catalog under the direction of a female product manager.

"It remains our overriding objective to respond quickly to changing environments like the women's line, but only if we can maintain quality and functionality," Hind explains.

Indeed, maintaining its position as an acknowledged technical and quality leader in the sports apparel industry will continue to be Greg Hind's pursuit — without compromising product functionality and without offshore sourcing. **B**

Susan S. Black is editor of Bobbin.