

Acme-McCrary Corporation Now Largest Manufacturer Of Private Label Sheers



Bill Redding, president of Acme-McCrary

by Charlene Nelson

When the sheer hosiery industry began declining in the late 1980's, Acme-McCrary Corporation began looking for opportunities to hold its place in the market and continue to grow during the rough times ahead.

Since then, the Asheboro manufacturer has assumed or acquired the business of five hosiery companies, making it the largest manufacturer of private-label sheers in the country and the third largest overall sheer manufacturer.

The company's most recent acquisition --of the assets of Phantom USA-- was its largest. The Phantom USA purchase

completed the last day of January solidified Acme-McCrary's hold on the private label sheer market. The purchase should increase Acme's business by 25 percent, according to President Bill Redding.

"It gives us the ability to produce more and to sell more, more opportunities to grow," says Redding. "And, it gives us more opportunities to work with our existing customers."

Along with the purchase of Phantom USA inventory, machinery and equipment came about 380 employees, which boosts the number employed in Acme-McCrary's five plants to over 1,000 people. Acme-McCrary assumed the lease on Phantom's 220,000 square-foot facilities in Siler City, NC where it will continue production, and purchased the 50,000 square foot distribution facility in Liberty, NC.

"Phantom, Inc., which is a branded sheer manufacturer in Canada, was not seeking a sale, but had determined they wanted to focus on branded hosiery. Since their USA operation was private label, it was mutually agreed for Acme-McCrary Corporation to acquire that portion of their business," explains Redding.

Redding said the company will continue production in the Siler City facility because Acme-McCrary's other plants do not have the capacity to produce the sheers and tights being produced there.

Since 1996, Acme-McCrary has acquired or assumed the business of four other hosiery companies: Laughlin Hosiery in Randleman, NC, Vision Hosiery in Spruce Pines, NC and Roane Hosiery Mill in Tennessee. It also picked up some business when Brown Wooten closed their company.

"In 1989 the U.S. hosiery industry was making approximately 200 million dozen pairs of hosiery a year" says Redding who has been with Acme-McCrary since 1961. "Today, the industry's output is estimated at 50 million dozen."

"Acme began consolidating with other sheer suppliers to enhance our ability to stay around," explains the president. "It has enabled

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us to hold onto our business and increase our sales during a decline in the sheer industry."

Acme-McCrary, which has been producing sheers since 1909, now has two plants in Asheboro where its corporate offices are located, one in Ramseur, NC, one in Cedar Falls, NC one in Siler City, NC and one in Liberty, NC.

"We don't have any new initiatives (in light of the Phantom purchase), but we obviously will focus even more on marketing, research and development and sales to continue to earn the business that we have," adds Redding.

Seventy percent of Acme-McCrary's business is sheer hosiery and fifteen percent is socks for men, women and children. Three years ago, the company began a successful joint venture with Wells Hosiery making private label seamless apparel which makes up the other 15



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percent of its business. It is one of the few manufacturers who got into the seamless body wear business that has stayed in it.

Redding says he believes that after more than a decade of declining sales, there is light at the end of the tunnel for the sheer industry.

"We are hopeful the decline is about to stabilize," says Redding. "Up until a year ago, the decline was in the double digits annually. We feel the decline this past year was in the single digits."

Because hosiery is more of a fashion item today and offers the consumer more benefits such as shaper, comfort and massage characteristics, the decline is slowing, he says.

"First, hosiery is more about fashion today, and second, there is a core group out there that wants to wear hosiery, and that group is not declining," he explains.

"I don't think anyone will give up casual wear, but we are seeing more occasions to dress up, and we are seeing a more classy dress up look with more leg showing. Pants are still important, but skirts are making a comeback."

Looking to the future, Redding says he believes we will continue to see consolidation in the industry and that imports will continue to be important.

"The trick (with imports) is to keep it in balance so that you can justify your domestic production," says Redding.

What is the key to surviving and thriving in an industry which sees mills closing their doors on a regular basis and more and more product being made offshore?

"You have to have the ability to provide product, quality, service, and, above all, marketing and merchandising to the retailer," says Redding.

As Acme-McCrary goes forward, Redding says, "It is important for us to stay here and offer employment to our employees and continue to be a valued supplier to our customers."

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