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Blue Generation

THE INSIDE STORY



LOGO READY APPAREL



CEO PHIL & PRESIDENT ERIC RUBIN RECEIVING FAMILY
BUSINESS OF THE YEAR AWARD

Blue Generation: A Storied Past, a Strong Future

The New York City-based apparel manufacturer M. Rubin & Sons (established in 1944) is a leader in this market. The Blue Generation division, a major player in promotional apparel, recently celebrated its 80th anniversary with several industry awards from ASI.

These include Family Business of the Year, an Advertising Excellence Award, a "Top 40 Supplier" designation, plus a "Five-Star Supplier" rating. In addition, Blue Generation's president, Eric Rubin, was named to the "Power 50" list compiled by Counselor magazine.

But a closer look at this 4th-generation family business reveals that its excellence is nothing new. And even with a storied tradition at its core, Blue Generation continually proves that it's on the cutting edge of the promotional apparel field, from manufacturing to quality control to product variety to customer service. Read on to learn about the many facets of Blue Generation that make it an anchor within this industry.

Since 1944, 4 Generations

History: All in the Family

Milton Rubin, beloved founder of the company, made his way to the United States from Russia over 100 years ago. He discovered the apparel business and began to supply the trade as a wholesaler. In 1944, with his eldest son Donald, who was then returning from military service in World War II, they founded M. Rubin & Sons as a manufacturer of military uniforms and outerwear. A short time later, his second son Bob returned from the war and with their combined efforts continued to build the still young company. Seven years later, youngest son Phil came aboard too. “Fortunately, our skills complemented one another,” says Phil. “Don was ‘Mr. Inside’ with his manufacturing and financial skills. Bob took to the open road applying his considerable selling talents. I specialized in selling, design and importing. There was a brotherly affection among us, a harmony that allowed us to work and thrive together for over five decades.” Don and Bob retired in 2006.

Come 1975, Phil’s son Eric came into the picture, an MBA degree in his hand and a working knowledge of the business in his mind. “I put in many hours at the company as a teenager, from sweeping floors to packing orders,” says Eric. “After a business trip with dad to Hong Kong, I realized this business was in my blood.” Today, Eric is the CEO



MILTON RUBIN, FOUNDER

of the Blue Generation division. He’s also a proud dad whose son Matthew joined the business in it’s 80th year.

Interestingly, come 1996, M. Rubin’s business model began to change in an unforeseen way. That year, the firm started the Blue Generation division, aimed at the promotional market, with a few denim and twill shirts. “Our goal was to expand our business beyond retail,” Eric says. “We saw growing opportunities in the promo market, and we felt we could provide a level of manufacturing expertise that was lacking up until then.” The journey into this new field went even better than the Rubins anticipated, and the promo market quickly became the focus of the firm.

“We always adapted well over the years, from our hunting jackets and skiwear to uniforms and fashion apparel. We created whatever apparel the times demanded,” adds Phil. “But when we brought our production expertise and fashion sense to the promo market through Blue Generation, we quickly learned that we had found a sweet spot.”



PHIL, BOB, ERIC & DON RUBIN

So in the 21st century, Blue Gener-

ation sells logo-ready apparel to more than 20,000 distributors, with “such a wide variety of fabrics, styles, and colors that our garments

can be worn anywhere – from the mail-room to the board room,” says Eric. “Our primary goal is to offer superior customer service and a wide selection of quality garments, at attractive prices.”

Speaking of variety, Phil points out “Our spectacular growth can be attributed to our incomparable selection of inventoried colors and sizes. We started with just a blue denim shirt, leading to the name ‘Blue’ Generation, which is amusing when you consider in 14 years we’ve expanded to 100’s of color combinations. It’s a true paradox to our name ‘Blue.’ We’re up to 10XL and tall for men and 5XL for women, and youth. We pioneered designing styles fitted specifically for women rather than offering unisex garments to women, designed to fit men. Our growing market share in this industry stems from these advancements.”

The Rubins still hold onto their family-business perspective. “As far back as I can remember, Don, Bob, and I had lunch together at work every day, and we often vacationed together,” says Phil. “It’s a family story that we’re very proud of. When we manufacture our garments, we are fiercely protective of our quality and our reputation, because it is under our family’s name. This is not just a job to us – it’s a family tradition.”

The Products: Unmatched Colors, Styles and Inventory

“When clients hear our name, what comes to mind right away is our incomparable assortment of colors and sizes,” says Phil. “That’s what Blue Generation is best known for.” Eric adds that “Phil’s merchandising formula has always included a passion for color.”

One look at the most recent Blue Generation catalog tells the story. There are numerous pages devoted to colors for woven shirts and still more pages displaying knit colors for total color coordination. “Our signature twill started with six colors, and now we’re up to more than 40,” Phil notes. There’s also a few new optic colors for high-visibility needs, such as construction sites and school crossings.

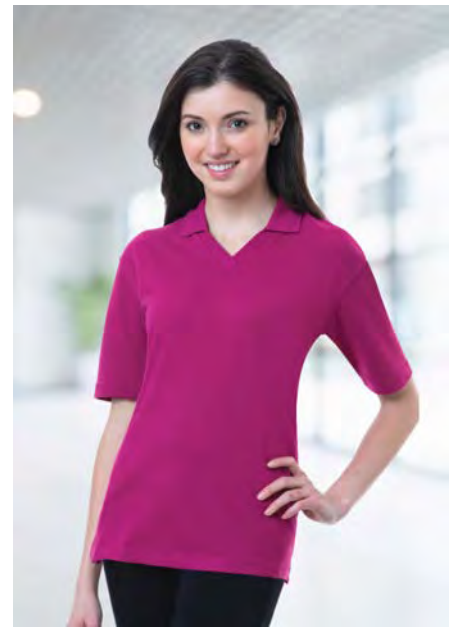
Blue Generation is dedicated to developing styles that use technologically advanced fabrics, resulting in superior-performing garments. “We led the industry in offering DuPont’s Teflon stain-resistant fabric, which is perfect for environments with exposure to stains and dirt,” says Eric. Blue Generation is moving strongly into the hotel and food-service industries, offering complete uniforms including shirts, pants, aprons, and matching ties.

Another way that Blue Generation differentiates itself



BLUE GENERATION’S EXCLUSIVE “SUPERBLEND” 65/35 Poly/Cotton Blend

from competitors: “When we develop a fabric that’s right for our market, we offer it in a variety styles, that’s our formula” Eric notes. An example: BG’s “SuperBlend” 60/40 knit pique fabric “is stain-release, wash and wear, features fade resistant Color Lock technology, and is exclusive to Blue Generation,” he says. “We run it in men’s, ladies’, and youth sizes, long and short sleeves, with and without a pocket. We also offer a tipped-collar



“Blue Generation is renowned for value. We do not sell our products through wholesalers. We sell direct to the distributor through our national sales force, from one fully stocked distribution center.”

style and V-neck for a fashion element. The collection is presently our hottest selling knit category.

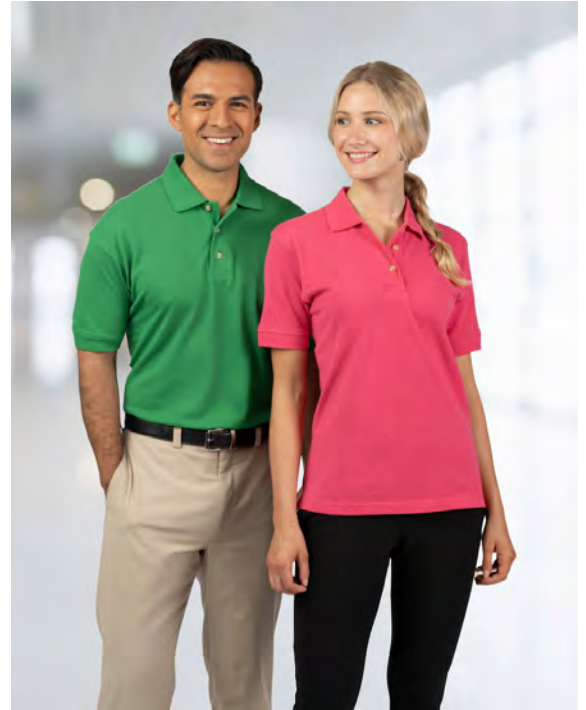
In addition, fabrics such as moisture-wicking knits, stretch/spandex poplins and knits, super-soft pima cotton – are staples in Blue Generation’s lineup.”

In the area of women’s wear, Blue Generation has focused on creating distinct products that have fashion appeal. “Fashion is more important these days, so we are moving strongly in that direction,” Phil says. “We were one of the first companies to recognize

the demand for apparel specifically designed for ladies. Before that, it was a unisex market.”

In the past, “the men’s shirt was created first, and maybe a ladies’ style would follow,” Phil adds. “But for some time now, every style in our line has had a ladies’ version to complement the men’s. We’ve even introduced several offerings that are specifically for women.” Eric cites a recent example: “We created the stretch poplin blouse for women, and later added a men’s version.”

Here’s another nod to expansion: “Our roots stem from outerwear, so this



OUTFIT YOUR TEAM IN COORDINATED STYLES

year we are using that expertise and introducing polar fleece vests, pullovers, and fleece jackets” says Phil. Over the years, we’ve expanded into many categories including fleece, polar fleece, athleisure, hi-vis wear and servicewear.



Resourcing, Production, and Shipping: Total Control of the Chain

A key aspect of Blue Generation's operation – one which differentiates it from many competitors and wholesalers – is the firm's "intact verti-

heard of, and offers customers peace of mind in several ways. First, "there is no possibility of a delay in fulfillment that might come from waiting on materials to be

are the sewing machines ... more than 2,500 workers in the Egyptian facility alone." "There is a considerable capital investment in the facility," Eric notes.

any time," Eric says.

With environmentalism at the forefront of business today, Blue Generation has taken pains to ensure its production facilities have the smallest eco-footprint possible. For instance, in Egypt, water from the Nile River is used in the fabric-dyeing process. Once that process is complete, the water is purified, tested, and recycled.

Overseas shipments arrive at Blue Generation's New Jersey distribution center. The 150,000-s.f. facility managed by veteran Miguel Arias, who has been with the company 13 years, houses "a fully automated picking and packing operation," says Eric. "This is another huge advantage for us," Phil adds. "Since we ship from one well



SEWING FACILITY WITH OVER 2,500 WORKERS

Blue Generation's New York-based executives take an active role in supervising production to ensure the consistent quality the company is known for. Phil, Eric and their team, Amir Adler Global Resourcing Director, and David Zipes Production Coordinator, make frequent trips to their offices abroad to oversee factory operations. In addition, they regularly conduct video conferences with the managers as well as continuous video monitoring of each facility. "We gather up-to-the-minute information regarding the production processes at



ON SITE KNITTING MACHINES



IN STOCK FABRIC FOR QUICK RESPONSE

cal setup," according to Phil. "We manufacture everything we sell and ship from our U.S. distribution center." Eric further describes it as "complete control over the entire process, from the bales of cotton to the finished product to delivery." For the customer, this results in efficiency, reliability, and quality.

At its major production facilities in Egypt, Blue Generation controls production of all components used in its garments. The facilities produce their own thread, spin their own yarn, produce the fabrics, use computer-controlled dyeing with superior results, and use state-of-the-art finishing machines to ensure garments have just the right touch.

Such a comprehensive operation is practically un-

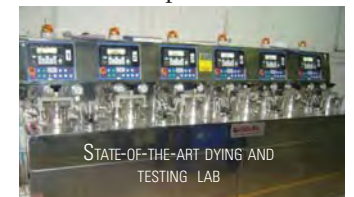
shipped to our production facility – everything is created right on site," says Phil.



KNIT PROCESSING EQUIPMENT

"This also allows us to carry massive inventory of materials; we even make our own buttons, labels, hang tags, and cartons." BG maintains backup inventory of fabric and finished garments abroad, which in most cases reduces the import production cycle by at least 60 days. All these materials are kept in a warehouse that's larger than a football field,"

Phil adds. "Besides all this equipment, of course, there



STATE-OF-THE-ART DYING AND TESTING LAB

stocked distribution center, we have better control over color consistency compared to clients receiving shipments from multiple locations to complete an order." Lastly, Eric notes that Blue Generation's warehouse "stocks millions of garments, making our fulfillment capability unbeatable."

Customer Service: The Latest Technology Helps Everyone

Blue Generation implemented the latest advances in technology to create a customer service experience that would stand out in the industry. It began with a new phone system plus an accompanying “nerve center” that’s displayed on large flat-screen monitors throughout the call center and in Eric’s office. As calls come into corporate headquarters in New

York, “the system scans all customer service extensions to route each call to a free counselor,” Eric says. The screens display each counselor’s availability, the customer’s name and length of each call. It also shows the number of calls in queue, and hold time. What’s more, during the peak times, overflow calls are routed to other departments, that are trained to assist customers.

V.P. Steve Bogart, Financial Comptroller, oversees operations at the N.Y. headquarters. To keep things running smoothly, Blue Generation conducts weekly customer service meetings where counselors discuss their experiences and review issues that arise, as well as sharing ideas on ways to

improve the department. Training and product review is a constant process.

The rapport that BG’s executives have developed with front-line employees surely benefits the customer as well. “We focus on making this an enjoyable work environment for our employees. If they feel they are treated well, then



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they will treat our customers well,” Eric says. “Several of our employees have been here longer than 35 years. They know our product lines and their customers inside out, and they take great pride in that. This helps clients immensely – that’s how our call center is different.”



Eric, Phil, Matt Rubin

To enhance the customer experience, Blue Generation purchased one of the most sophisticated custom software programs available in the market today. The system not only streamlines order processing, but customer service has access to more accurate information. The system also maximizes the power of the Internet. “We have integrated our web site with our internal systems so that clients have full access to their account and order information,” says Eric. With this system, customers can place orders online 24/7, check inventories, receive order confirmations and tracking numbers, as well as a host of other features.

“Now, incoming orders are instantly credit-checked, then automatically allocated and sent directly to the shipping department, Eric says. The result: Average order-process time has been reduced from over two hours to just 30 minutes

“The new system is the backbone of operating our business more efficiently,” Eric adds. “We knew the expense would be justified. It’s revolutionized the way we and our customers do business.” The proof: Blue Generation’s fulfillment rate stands at 97 percent.