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Amco News

VOLUME 51, NUMBER 5

NOVEMBER 1995

Addressing the Marketplace

By Rich Noll
Chief Executive Officer

Capable people, aggressive marketing plans, consumer-driven approaches, a growing market and very competitive manufacturing provide Adams-Millis the necessary ingredients to strengthen its position as the world's leading sock manufacturer.

We're listening to what consumers want in socks, and we're creating products that provide the kinds of benefits that result in loyal customers. Consumers spend \$3.8 billion a year on socks, and the market is growing. Men's socks account for 45 percent of that total, women's socks for 30 percent and children's for 25 percent.

All three consumer sectors are growing. Men's socks and children's socks are growing two to three percent per year. However, the fastest growth is in the women's sector. Most analysts anticipate a four to five per cent annual growth in sock sales to women.



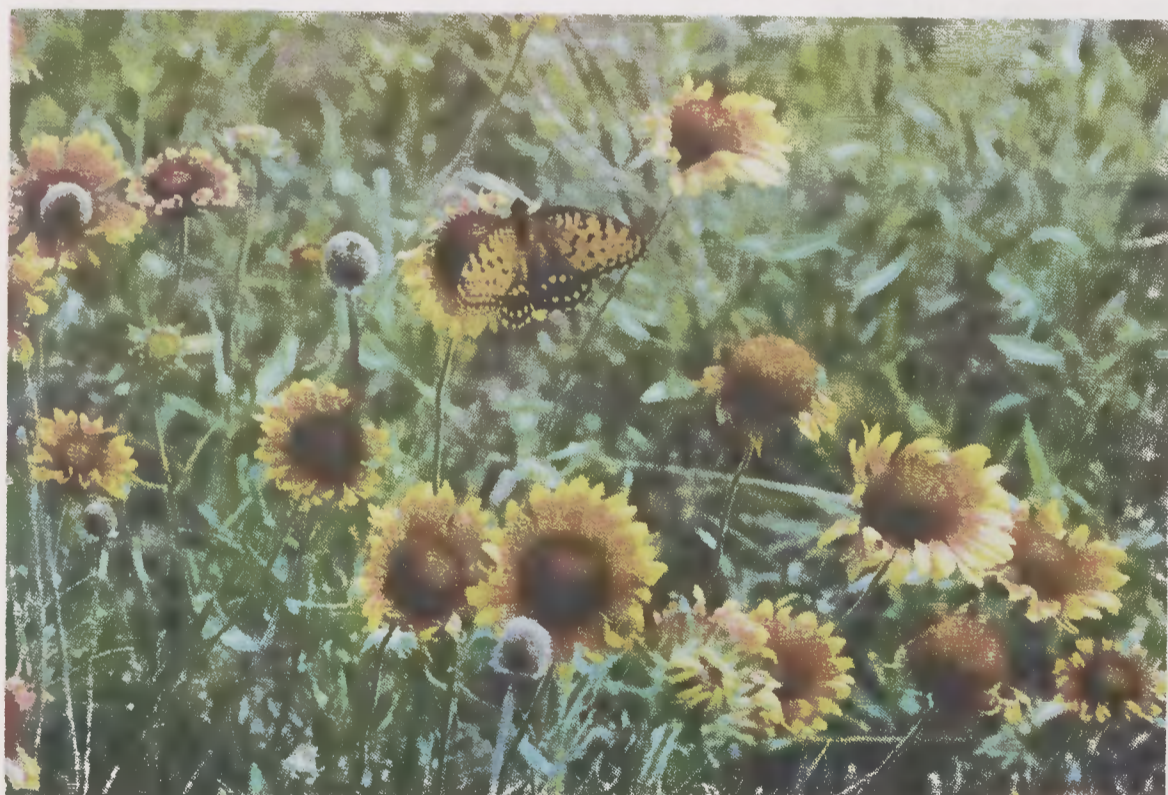
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The expansion in the women's market is fueled by the trend in this country to a more casual lifestyle. Instead of wearing sheer hosiery, many women have switched to socks.

The trend to the more casual style began in the men's market about five years ago as men began to shift more to athletic socks. The women's market is beginning to demonstrate similar trends. Today, white athletic socks account for 73 percent of all socks sold. We have a saying that "90 percent of people wear athletic socks but only 10 percent do athletics . . . What do you think they are wearing them for?"

We have put our manufacturing capacity and our marketing resources against these growing trends. Our white sock manufacturing is concentrated at our high-production Barnwell and Mount Airy plants while we're handling dyed casual socks at the Kernersville and Influential plants. Our decision to close the Silver Knit location reflects a response to changes that are occurring in the marketplace.

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"Picture Perfect" is the title Frances Corne gave to her prize-winning entry.

Corne Repeats In Photo Contest

You can tell that Frances Corne loves photography. She takes her camera with her almost everywhere she goes. She says that vacations provide an excellent opportunity for photography and that photography provides a great way to record special memories.

Her interest has paid off again in the *Amco News* Photo Contest. Frances won first place in the contest two years ago, and she is the repeat winner in this year's contest. As the first-place winner, Frances

receives \$150 from Adams-Millis.

Alicia Raley of Barnwell captured second place and will receive the \$100 prize. The \$50 third place went to Brenda Zagurski of Mount Airy.

More than 100 entries were submitted for the contest. The Influential plant was the only location not represented in the contest. In addition to the three entries that receive cash awards, judges also selected 11 photos for honor-

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In this issue, *Amco News* begins publishing a series of brief profiles on employees and their perspectives on quality.

When it comes to quality at Adams-Millis, everybody counts.

Quality is measured by the company's ability to deliver the product that a customer wants, at the level of quality expected, when the customer needs it.

There's a great deal involved in reaching the high standards that have been established. They can be accomplished only by an individual commitment to personal excellence and a commitment

to overall performance.

Mike Mabe, senior manager, Quality Control and Product Development for Adams-Millis, says that the components of quality include factors such as:

- Reducing irregulars
- Doing things right the first time
- Labeling products accurately
- Folding properly
- Entering accurate engineering records
- Purchasing quality yarns
- Managing the mix of chemicals in the dyehouse

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Employees Share Quality Perspectives

First in a series

"Quality depends on each individual. We stress that with each employee," says James Henderson, the crew leader for a team of six in Barnwell's dyehouse. "We look for 110 percent or more from each person."

Henderson, who will celebrate his third anniversary at the Barnwell plant in February, puts himself in the shoes of a customer in determining what quality



HENDERSON

is. "If you go into a store, you want the best product. We want to make sure that's what we make," he said.

The mixture of chemicals used in bleaching is a critical step in the dyehouse process. The mixture includes 1,900 gallons of water and six other chemicals in varying volumes.

Safety is an important element of the quality process for James and his crew.

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