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FRIDAY, JUN. 22, 2018 4 days ago

## Venerable uniform company looks ahead, not back

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The nearly century-old business has embraced a new — and youthful — model, filled with acquisitions.

by: [Brian Hartz](#) | Tampa Bay Editor

You'd think a \$267 million, publicly traded company approaching 100 years in business would be more interested in celebrating the past than breaking with it.

But Superior Uniform Group, now known as Superior Group of Companies following a string of acquisitions, isn't

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“This is actually the second time we’ve changed our name,” says Michael Benstock, the 62-year-old CEO of the Seminole-based company, which came into existence in 1920 as Surgical Manufacturing Co. Inc. Originally based in

Benstock has experienced many of the momentous changes firsthand. The epitome of a Superior “lifer,” he began working at the company when he was just 8 years old. “My very earliest memories are of picking orders and doing all other kinds of jobs around the factories and the warehouses,” says Benstock, whose Lithuanian great-grandmother founded the company.

“If you look at us as a branding company, the concept of Superior Group of Companies makes a lot of sense, and it’s a lot easier to explain.” Michael Benstock, CEO of Superior Group of Companies

Benstock, now the fourth generation to run the business, was named CEO in 2003. Prior to that, he was president of the company for 10 years, and his presidency was preceded by a stint as vice president of operations and manufacturing distribution. “But over the years I’ve pretty much done every job,” he says. “Customer service, credit collections ... a little bit of everything along the way to round out my experience.”

While uniforms represent a large swath of business —it supplies work uniforms to millions of employees at dozens of brandname companies — Superior has been aggressive, to say the least, on the expansion and acquisitions fronts over the past decade. In 2008, Superior launched a call center and back-office division called The Office Gurus that put the firm on a path toward being not only a maker of branded uniforms, apparel and merchandise, but also the voice of the brands that they supplied. Also in 2008, Superior, which went public in 1968, transferred its stock listing to the NASDAQ exchange, where it trades under the ticker symbol SGC.

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More acquisitions in the uniform manufacturing space — highlighted by the 2013 purchase of Alpharetta, Ga.-based HPI Direct — followed. Then, in 2016, Superior spent \$15.8 million, plus \$5.5 million in shares, to buy BAMKO, a full-service branded merchandise company that has worked with clients ranging from AirBnb, Adidas and DirectTV to the Rolling Stones.

The BAMKO division, in turn, has since made complementary acquisitions of its own, starting with Los Angeles-based PublicIdentity Inc., a promotional products and branded merchandise agency that generated \$6 million in revenue last year. It next acquired Chicago-based Tangerine Promotions in a \$9.2 million cash-and-stock transaction that, at the time, was projected to push BAMKO’s 2017 revenues to \$36 million.

### WHAT’S IN A NAME?

Superior, even with all the activity on the M&A front, didn’t take lightly the decision to embark upon another name change. Benstock says it was prompted, in part, by questions from investors.

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come these other companies fall underneath you,” he says. “We’re the whole package now. If you look at us as a branding company, the concept of Superior Group of Companies makes a lot of sense, and it’s a lot easier to explain. Also, each of our segments serves a different part of [our clients’] brands, another mission within enhancing their brands.”

collaborative selling within our divisions, which we're doing a lot of already."

To present a more unified image to the world, Superior created a new social media presence, in addition to redesigning its website, logo and signage. "We're in the process of helping other people with their brands, so for us it's probably easier than for others," Benstock says.

The name change didn't happen overnight. Months of work went into trademark research, copyright research and legal filings, Benstock says, describing the lead-up to changeover — which officially occurred May 3 — as long, arduous and expensive.

"That all had to be checked out and then we had to get shareholder approval," he recalls. "We were pretty certain our shareholders would respond favorably, and they did. But we also had to prepare for employee engagement. On the day shareholders approved [the name change], we did a live web stream from all of our locations all over the world — India, China, Brazil, Central America, all of the different locations in the United States — and everyone got to speak about what the change meant to them and their segment or division, which was quite exciting."



Mark Wemple. Michael Benstock is the CEO of Largo-based Superior Group of Companies, formerly known as Superior Uniform Group. He says he began working at the company when he was 8 years old.

PREV ARTICLE **VATED TO GROW**

Superior, in order to grow, had little choice but to branch out into other verticals.

"On the uniform side, we haven't been able to find any acquisitions since 2013, when we bought HPI," Benstock says.

It's not for lack of trying.

The uniform manufacturing sector, Benstock explains, is "not very fragmented. It's a very mature industry. There are a lot of multigenerational businesses out there, or businesses that are 20, 30 years old that are owned by entrepreneurs who aren't ready to exit. We know who they are. We stay in touch with them, but we don't see the opportunity to do a lot of acquisitions in uniforms, except for maybe one every four or five years."

Promotional and branded products are where Benstock sees Superior, um, making a name for itself. "There are 22,000 promotional product companies out there," he says, "and we were just named the 17th largest. Obviously, that's

**EXECUTIVE SUMMARY**

Executive Summary  
Company. Superior Group of Companies  
Industry. Uniforms, promotional merchandise  
Key. Firm embarks on acquisition spree and changes name.

Benstock continues, "We're pacing ourselves to buy one or two companies every year, making sure that we take time in between [acquisitions] to observe them, rate them and reap the synergies from them."

hundred-million-dollar business in a few years — as large or larger than our uniform business.”

## SUPERIOR THINKING

A looming challenge over all the projected growth: integration. The leadership team at Superior, for starters, is well aware of the secondary risks involved in acquisitions, such as dissonance between organizational cultures.

“When one company is acquired by another company, I think there’s always a certain level of distrust in the beginning that ‘the mothership’ is going to change everything,” Benstock says. “We’ve done this enough times now that we’ve learned from each experience how to better communicate to the employees on the day of the acquisition.”

That means letting the acquired company and its employees know they are being bought out because they’re successful, not because they’re broken and need to be fixed. “If we bought [a company] because it was broken, quite frankly, we’d shut it down,” says Benstock. “That’s how I would handle a broken company — I’d shut it down and just roll up everything underneath our own company.”

### At a glance: Superior Group of Companies

Year founded: 1920

**Headquarters:** Seminole

**CEO:** Michael Benstock

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**ees, 2017:** \$266.8 million

**Earnings, 2017:** \$15.02 million

**Market capitalization:** \$333.7 million

**Symbol:** SGC, traded on Nasdaq

**Recent share price:** \$22.05

Source: Superior Group of Companies, Yahoo! Finance

Superior, he adds, is also diligent about asking for feedback — both positive and critical — after each buyout, so it can improve the way it communicates during the acquisition process.

BAMKO President Phil Koosed, 36, who co-founded the company with Brett Marz, is happy to be part of Superior. But a sale wasn’t initially in his game plan. “Myself and Brett, being in our 30s, we were not looking to sell the business, retire and ride off into the sunset,” he says.

But a conversation with Benstock, facilitated by an investment banker, changed his point of view. Eight months later, contracts were being signed.

“You don’t see many multigenerational businesses that are 100 years old that have the entrepreneurial spirit [of Superior],” he says. “And the reason why is because we have an entrepreneurial CEO. What makes it great to be part of Superior is you can have an idea in the morning and start implementing it right away. There’s no huge, long approval

process that’s overly bureaucratic. If it’s a good idea, it goes. That’s rare among public companies.”

Two years after being acquired, Koosed says BAMKO has reached goals that were previously unthinkable. “We went 16 years without making one acquisition,” he says. Since joining Superior, it’s made two — and more are likely to come.

and passed up buyout opportunities. “We never wanted to bet the farm on an acquisition and just hope it all worked out,” he says. “There’s just too much at stake — there can be jobs at stake ... too much of everyone’s hard work and tears to make a big bet.”

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Year	revenues	% growth
2015	\$210.32 million	
2016	\$252.6 million	20.10%
2017	\$266.8 million	5.6%

Source: Superior Group of Companies

by the company's willingness to break with the past.

"Changing from Superior Uniform Group to Superior Group of Companies, as a go-to-market strategy for our customers, I'm very excited about that," he says, "because when we go to our customers now, as one solution, it truly is an amazing value proposition. And I think that's been communicated very clearly through the rebrand. I'm fired up about it."

People like Koosed, and others from the spate of recent acquisitions, says Benstock, has delivered an infusion of much-needed youthful energy and ideas.

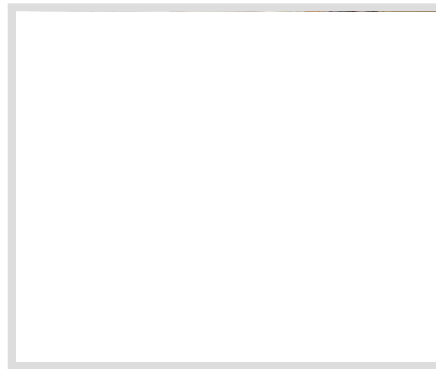
"It makes us feel a little bit like a startup sometimes," he says. "We bring these company presidents together and they're in their 30s and 40s, for the most part, and they come to us with so much innovation, energy and excitement to want to help the entire company evolve. And they're very open to lending their advice to us old-timers about how we might better run our business."

Even more changes? Says Benstock: "It's got us out of our suits and ties and wearing jeans to work."

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