Clothes Made Abroad Create Factory Jobs In L.A. for Mr. Fix-It

Barry Forman Left Rag Trade, But Is Back, Salvaging Flawed Chinese Garments

By

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LOS ANGELES -- Barry Forman's garment business here thrived by making ladies' polyester pantsuits in the 1970s and working with relaxed rayon during the 1980s. But 14 years ago, he spotted a trend he didn't like: The work was going overseas, lured by dramatically lower labor costs in China, among other places. Rather than make the move, Mr. Forman sold his Los Angeles clothing business and, at the age of 50, retired.

Today, Mr. Forman is back at work in L.A.'s grungy fashion district. Overseas garment factories, it turns out, make their share of mistakes. And by the time defective goods reach U.S. shores, it isn't feasible to send them back for repairs. Mr. Forman's company, Santa Fe Finishing, does some of the fixing in Los Angeles. In the process, he rescues millions of dollars in merchandise that might otherwise be junked.

"When I was a manufacturer, I drove a mile to the factory when there was a problem," Mr. Forman said recently from his second-floor office overlooking a factory floor. "What the hell do you do when your goods are from 9,000 miles away?"

The resurrection of Mr. Forman's apparel career shows how the garment industry in Los Angeles has adapted in order to survive. No longer able to compete with low labor costs in Latin America and Asia, many L.A. apparel companies shifted gears to become specialty service businesses: They embroider stitching on jeans that are made elsewhere, or dye, wash or screen print T-shirts that come from abroad.

Mr. Forman sees his business as an emergency room for garments. With a staff of about 100, he triages the different damaged goods that come in -- with stains, missing stitches and other maladies -- figuring out what can be saved and how quickly. The goal is to rescue a garment that would otherwise die.

In late August, for instance, 17,000 denim pants made in a Chinese factory were confiscated at the port of Long Beach, after U.S. customs officials determined that zippers on the garments were counterfeits of a Japanese fastening brand called YKK.

To get out of the jam, a representative for the brand called on Mr. Forman. Fifteen employees headed to the warehouse and set up a makeshift factory, complete with lamps, tables and tools. They spent the next five days grinding off the fake YKK mark with handheld drills. Because the pants now had generic zippers -- rather than counterfeit YKK's -- U.S. customs officials approved the change and let the jeans enter the country, just one week late.

The apparel industry has always had to deal with knockoffs and imperfect, unsalable goods, and it's unclear whether manufacturing mistakes have increased along with imports. Apparel and textile imports into the U.S. grew 15% to $95.57 billion in 2005 from 2003, according to the U.S. Census Bureau's Foreign Trade Division.

Before he shifted gears, Mr. Forman spent nearly 30 years in the garment business, first selling textiles and later helping start fashion line Laundry by Shelli Segal, now a division of [Liz Claiborne](http://online.wsj.com/public/quotes/main.html?type=djn&symbol=liz) Inc. Mr. Forman was running a young women's sportswear line in 1992 when he realized he wanted out. "I couldn't make a profit anymore and I didn't want to go overseas like everyone else," Mr. Forman says, adding that he had made enough money to "take his chips off the table for a while."

For the next eight years, he raised his daughter, who's now 16, took up golf, operated a carwash and invested in commercial real estate. But he missed the hectic pace of the apparel business, and in 2000 he bought Santa Fe Finishing. In addition to fix-it jobs, the company also specializes in readying garments for shipment to retailers such as Victoria's Secret, Barneys New York and Wal-Mart. That work can involve checking garments for mistakes, pressing and folding, trimming loose threads and packaging.

Now 63, Mr. Forman says he relishes working in the apparel business again. In his office, near framed Ansel Adams photos, hangs a T-shirt that says: "I'm not crazy, I've just been in a bad mood for 10 years." "I'm maniacal," he says.

Santa Fe Finishing charges an average of 70 cents per garment for fix-it jobs. Mr. Forman says his clients range from smaller companies such as Alarmex Holdings to giant apparel companies like Liz Claiborne and [Kellwood](http://online.wsj.com/public/quotes/main.html?type=djn&symbol=kwd) Co. Mr. Forman says the business is growing rapidly. Santa Fe worked with seven million garments last year, and Mr. Forman says sales for 2005 are about $4 million, up from $2 million in 2001.

Garment projects usually require just a little nip and tuck, but sometimes, Mr. Forman says, the company engages in more major apparel surgery. Two years ago, he charged a men's golf apparel maker $4.25 a garment to fix 20,000 rain jackets with sleeves that were six inches too long.

"Only a gorilla could wear it," Mr. Forman remembers. Workers remeasured, cut, and sewed in heavy-duty elastic to salvage the order, he says.

Other garments get blemished en route to the U.S. In June, employees spent a day digging through 15,000 pairs of pants that had been sitting in a cargo hold partly filled with sea water for several weeks. "They were mush," Mr. Forman says. Salvageable pieces were sprayed with odor remover, while more than one-third of the shipment was taken away by waste-management control.

On a recent morning, the 22,000-square-foot factory floor at Santa Fe Finishing buzzed with activity. In one area, workers cleaned oil stains or removed odors, while nearby seamstresses made spot repairs. On the opposite end of the floor, steam from about 20 industrial pressing irons filled the air.

In the center of the floor, 13 workers softly ran their fingers down the sides of long-sleeve, multicolored striped tops. Designed by a local children's apparel line called Stony Apparel Corp., the 14,000 garments were supposed to go to [Kohl's](http://quotes.wsj.com/KSS) Corp. [kss +0.55%](http://quotes.wsj.com/KSS) [**kss**](http://quotes.wsj.com/KSS) **in** Your Value Your Change Short position stores, which require manufacturers to comply with strict quality-control standards before hitting store shelves. Mr. Forman's shop found that in 15% of the garments, made by a factory in China, a slight tug popped the elastic seam at the bust line. Workers on one end of the floor restitched the popped seams, while others marked other problems -- broken stitches or sewing mistakes -- with colored tape.

Business for fix-it shops like Mr. Forman's is so good that several competitors have popped up in Los Angeles and New York, and some U.S. garment companies are starting to open up their own emergency rooms in places such as China to cut out businesses like his. Mr. Forman says there's enough business -- that is, mistakes -- for everyone.

"Perfection is a fantastic goal," he says. "But, hey, it's never going to happen."

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