



# CASE STUDY: Mel Gambert Custom Shirtmaker

***"It All Starts With A Great Shirt"***

**INDUSTRY:** Apparel

**US MANUFACTURING LOCATION:** Newark, New Jersey

#### The History of the Apparel Industry in America

Today, the creation, production, and distribution of clothing is the largest manufacturing business in the world. There was a time though, when clothing was completely custom made to suit each individual and the garments individually made would last for a long time.

Quality and fabrics have become thinner and less durable than in the past and even brand names have skimped on quality to compete with large retail chains.<sup>1</sup> In the 1990s, deregulation made the import of cheap apparel from developing countries more advantageous for the garment industry. NAFTA (1994) encouraged the industry to move operations from Los Angeles to Mexico and garment and textile factories were established in China and Bangladesh where labor was cheap and regulations were not as stringent. Today, China and Vietnam are the top two import sources of apparel in America, but things are changing. Demand for speed versus marginal cost advantage, demand for quality, customized products, need for more supply chain control and the increased amount of automation is enabling companies to bring apparel manufacturing back to the US (reshoring) or closer (nearshoring).<sup>2</sup>





## GAMBERT SHIRTS

Joseph Gambert started Gambert Shirts in 1933 as a small boutique for custom shirts in Newark, NJ. For over 80 years, the company made shirts in Newark. Mel Gambert, the second generation Gambert, followed in his father's footsteps. Mel, along with his wife ran the company efficiently for several years, survived the Great Recession and several other economically hard times. The company has grown to producing 1200/1500 shirts per week. Mitch Gambert, Joseph's grandson, joined the business in 2001, having dedicated himself to learning all the tricks of the trade from his father, and introducing new technology. Never afraid to try new ideas and meet challenges, Mitch, has merged old-school artisanship with modern technology and design. For example, he built a dealer software portal which has become a significant competitive advantage.

## SURVIVAL WITHOUT OFFSHORING

Gambert Shirts has been operating in the US for 85 years and has experienced a significant amount of change. In 1965, 95% of the clothing sold in the USA was made in the USA. Today, that number is 4-5%. So how has Gambert survived? The answer lies in their tenacity, love for what they do, the quality of the product they offer, consumer loyalty, and tapping into the right market.

The primary source of business for Gambert is "Made to Measure" or custom shirts. Gambert's unique selling proposition lies in doing a lot of "blue pencil work," which

is work that requires a customization or edits. Mass production houses are not capable of this kind of blue pencil work. Mitch Gambert categorizes the consumer of their shirts as the "want" and the "need" guy. The want guy is someone who wants pink buttons on a white shirt and he can't find them anywhere. The need guy is someone who has unique sizing which is very difficult to find in mass-produced clothing. Every pattern is individually crafted to offer unique design, fit and quality the customer wants.

Mitch Gambert describes Gambert Shirts as "timeless," which is why these shirts enjoy consistent popularity even with a higher price tag. Gambert's loyal clientele is a direct result of the quality brand name and attention to customer service. 65% of the orders that flow through the factory are for repeat customers.

## QUALITY AND TRENDS

A high-quality product is not the only thing the company focuses on. It tries to keep pace with the latest fashion trends and consumer tastes as well. The fabrics that the company uses include everything that the client might want from skull-and-crossbones patterns, tie-dye prints, stripes, and solids. Gambert works with roughly 1500 fabrics, 400-500 of which are classic staple fabrics. The rest are constantly changing as fashion trends evolve.

Although Gambert Shirts are made in the USA, materials like the fabric, buttons, and threads are imported. "A completely vertically integrated shirt made from textiles produced within the USA might appeal to some people but may be too costly," says Gambert, as many people are ultimately price-sensitive. The company primarily sources fabric from mills in Europe and Japan.

# DISTRIBUTION CHANNELS

Gambert has a robust distribution network. A major retail store carries the company's line as well as small men's boutique shops throughout the U.S. In addition to the retail stores, there are about 200 resellers across the U.S. and the UK who have their own customer base and place orders for custom shirts on behalf of customers. Gambert also has direct sales people who go from office-to-office or door-to-door to take orders for custom shirts. Gambert participates in trade shows, networking events, as well as promoting their brand through various social media channels.

With a Kanban production system, (a scheduling system for lean manufacturing and just-in-time manufacturing developed in Japan), Gambert has been able to optimize production and minimize inventory. Gambert has been able to fine tune many areas of production to improve overall production efficiency. For example, work orders are used to inform the workers on the floor about the flow of work. All orders are color coded. Workers are aware which color code is coming up next and by what date orders must be ready to ship.

Other examples include using color codes on the sewing machine dials so that workers know what thread tension to adjust to while sewing a heavier material vs. a lighter material, and using a button card with the button and corresponding code so that workers know exactly which button is to be used.

# TREATING EMPLOYEES WITH RESPECT AND DIGNITY

The company currently employs about 87 people and most are cross-trained in several areas. "Finding skilled labor is a big problem but fortunately people rarely leave us" says Mitch Gambert as "we treat them right". Employees are paid an hourly wage versus per piece and they have a clean and safe work environment. Employees are treated with respect and dignity, and are listened to when they have comments and suggestions. During hard times in the past, Gambert has readjusted employees' schedules from a five-day work week to a four-day work week to cut costs and avoid lay-offs.

# MADE IN USA

"We love the fact that we make our shirts here," said Gambert. He admits that it would have been much more profitable to offshore production and just have an office in the U.S. for sales and operations. Gambert has been tempted several times to move production to a low-cost country. But they are proud of their "old school artisanship" and ability to make quality products in New Jersey.

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1. <https://bellatory.com/fashion-industry/Ready-to-Wear-A-Short-History-of-the-Garment-Industry>

2. <https://www.bloomberg.com/opinion/articles/2018-10-19/clothing-manufacturing-may-be-moving-back-to-west-from-asia>

# ABOUT THE AUTHOR

Nabaparna Ghosh is currently pursuing an MBA from Rutgers Business School, NJ with a concentration in supply chain management. Nabaparna, holds an undergraduate degree in Computer Engineering. Prior to Rutgers, she worked in the tech industry in a client facing role for over eight years. A certified PMP, she has an in-depth experience in project management.



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