

An Inspired Shop

When Anna Johnson was recovering from cancer, her family and nearly 50 employees kept her shop going strong.

BY NICOLE ROLLENDER
PHOTOGRAPHY: DAN MILBURN

Anna Johnson, owner and president of Phoenix-based Super Embroidery and Screenprinting, started her business in 1988, with two embroidery machines and one employee, but she earned a surprisingly good

\$30,000 in gross sales in her first five months in business. Now, with 49 full-time employees, 103 heads, and screen-printing equipment, the company's revenue in 2005 was \$2.3 million, up from \$2.1 million in 2004. Johnson says 2006 sales, for the fiscal year ending March 31, 2007, are estimated at a cool \$2.8 million.

Because of this, Super Embroidery and Screenprinting received the *Stitches* Family Business of the Year Award at the annual Spirit Awards, a highlight of *The ASI Show* Las Vegas. The awards, which were presented on March 19 at the Las Vegas Convention Center, honor the fastest-growing suppliers and

distributors, and acknowledge three family businesses that represent the bedrock of much of the ad specialty industry.

Johnson says her business's biggest accomplishment was staying open while she received cancer treatments for six months. "I have a loving and hardworking family and employees who deserve an award for sticking with me through a very rough patch," she says. "When I got sick, they didn't know if we'd be in business today or if I'd even be alive. Many of them could have found other jobs, but they stayed and made sure the company was here and running strong for when I returned. Today, I'm can-



Left to right: Anna Johnson, owner and president; Lou Meagher, CEO; and Johnny Johnson, jack of all trades, Super Embroidery and Screenprinting, Phoenix

cer free, and I still have a strong and profitable business.”

The day before Thanksgiving in 2005, Johnson was diagnosed with cancer, and was out of her shop from late December till early July 2006 receiving chemotherapy and daily radiation treatments.

“My managers and my mom ran this company without me by working a lot of overtime,” she says. “This illness was a sudden thing, and I thought I’d be able to work while going through the treatments, but I was wrong. It was like one day I was here, and the next I was gone for six months.”

Johnson relied on her mother, Lou Meagher, who just turned 79, and her husband, Johnny Johnson – who was also facing his third open heart surgery operation in June 2006 – to help keep the business on track. Meagher actually came to work with Johnson in 1990, two years after the business opened. “I begged my mother for a year before she came. She thought I was just being kind and offering her work because she had just retired,” Johnson says. “But I really needed her, since she’s a very detailed, organized person. I often just take a leap of faith on the way I run my business.”

Johnson, who began her cancer treatment the day after Christmas in 2005, bravely cut her waist-length hair very short on Christmas Eve night, thinking it would fall out with treatments. “I got about 30 hats for Christmas that year,” Johnson says. “It turns out that my hair didn’t fall out, but I learned not to get too attached to anything.”

Since she didn’t know what was going to happen to her health-wise, Johnson’s biggest fear was of losing the business. “I sat down with my managers, told them exactly what was going on with me and the business,” she says. “I asked them to keep my health condition among themselves. We only planned to tell a few key customers, since I didn’t want people to panic. That worked seamlessly for a few months, until after two or three months of me not being

there, customers wanted to know why they couldn’t get a hold of me.”

In May 2006, Johnson had a biopsy and found out she was in the clear. Then, it was her husband’s turn to head to the hospital for open-heart surgery, which was successful.

ALL IN THE FAMILY

Johnson is very candid about the challenges of working with family members. “I’ve always had higher expectations of family members than I do of my other employees,” she says. “With family mem-



Lou Meagher, Anna Johnson and Johnny Johnson stand in the middle of the action in their embroidery production area.

bers working for you, you need to be careful that they don’t tell stories out of school to other employees about personal or financial issues. You also need to make sure your employees don’t get paranoid, thinking that your family members are spying on them. I know that may sound silly, but these are real issues.”

Currently, three generations of Johnson’s family work with her. Meagher is the CEO; Johnny Johnson helps in any way he’s needed; and Damon Kuntz, Johnson’s nephew, is a machine operator training for management.

In the past, Johnson also employed two of her sons. “I’ve told them that family members need to work harder than other employees so there won’t be any employee resentment,” she says. “And, we have to be willing to do anything that any of my employees have to do. I’m part of the troops. I’m not sitting on the horse, watching everything go by.”

With 49 employees – family members or not – it’s tough. “A lot of what I do is put fires out all day,” Johnson says. “When you have more employees, you don’t get the same output from them. Sometimes, they do less than others because there are more of them.”

A SURPRISING START

Johnson, who in 1988 was just finishing her commercial pilot license to become an airline pilot, said that falling into embroidery was a total fluke.

While running a cleaning business with a friend for a short time, Johnson met a screen printer who had two embroidery machines. “I hate embroidery,” he told me, but I think it was because he had some really large embroidery contracts and he couldn’t keep up,” she says.

“We went to dinner and I asked him how much he wanted for the two machines. The price he wanted for his business with his accounts and digitizing was more than I felt I could afford. So, I negotiated just purchasing his machines, and planned to get my own accounts,” she says. “My husband would have helped me financially but I wanted to prove my own worth and do it on my own.”

Johnson bought the two machines for \$75,000 and rented 1,300 square feet of space from the screen printer on a five-year lease. “I asked my friend who I had the cleaning business with if she wanted to buy an embroidery business, and she said yes,” she says. “We opened our business in August 1988.”

Her biggest challenge back then was making enough profit to grow fast enough without having to borrow money. “I wanted to do this myself,” Johnson says. “One

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month after we opened, I wanted to get a booth at a trade show so I could land some accounts. I borrowed \$2,000 from my husband, which I paid back.”

From the trade show, Johnson got three large accounts, including one for a chain of 27 restaurants and Fred Harvey Industries, which runs hotels in the Grand Canyon area. One of her first orders was for 4,000 pieces.

Before Meagher joined Johnson, “I worked crazy hours. I ran the machines during the day and invoiced at night,” Johnson says.

“When I started I didn’t care about money. I wanted to be the customer’s knight in shining armor,” Johnson says. That’s where Meagher, who moved from Texas to help Johnson run the business, was a big help. “She took over receivables while I grew the business. She can get money out of people real good,” Johnson says. “I think it’s her good attitude. People call her ‘Mom.’”

Within four years, Johnson and her partner paid the screen printer back in full, and then moved to their own location.

In 1995, Johnson’s general manager got cancer, close to the same time that Johnny Johnson learned he’d need his first open heart surgery. “I remember they both went into surgery the same day,” she says.

Then, in 1997, Johnson and her partner went their separate ways, and Johnson rented and later purchased a building for her third location, which was 16,000 square feet of space, double what her second shop had been.

“There have been many other roller coaster years, from NAFTA, to Y2K to 9/11, which was a scary time. One month we lost \$67,000. I had to build myself back up.” Johnson says now if the economy hits another rough patch, her shop’s got the advantage of offering embroidery and screen-printing services.

Johnson went through three screen printers that rented space in her building before she reached her current arrangement. In 2002, she purchased a screen-printing company’s assets, which included the equipment; the company’s owner kept his



Anna Johnson and machine operator Marla Palacios, who is hooping a bag.

employees and customers and rents space from Johnson. “So far, this arrangement is working perfectly,” she says.

The shop’s screen-printing equipment includes manual presses, including three, eight-color stations and a four-color hat press, and automatic equipment, such as a 12-head, a 10-head and a two-color pad printer. Super Embroidery and Screenprinting does have a Brother direct garment printer for smaller orders.

The shop's 103 heads – Barudan, SWF and Tajima machines – run 20 hours a day in two 10-hour shifts. Johnson says her shop on average produces about 20,000 polos, 7,500 hats and 1,200 jackets each month. The shop's screen-printing orders make up about 25% of the overall business, cranking out about 30,000 shirts a month.

FUTURE PLANS

Johnson has her eyes on the future, and identified some challenges she's working out. For example, in late 2006, she discovered that productivity had declined on the night shift, so she's been working with management to up her crew's efficiency. "We're getting back on track finally, but we need to make more progress," she says, noting that night shift productivity is up 15%.

Johnson also wants to learn more about how to combat the problem of a lot of larger contract orders going offshore. "We



Anna Johnson, and her mother, Lou Meagher, have worked together since 1990.

have to work twice as hard now to make the same money," she says. "For example a domestic-made shirt might go for \$12, while a shirt embellished in China might run \$7. We need to learn how to deal with the situation as it's evolving."

Johnson is working on getting back to full 40-hour weeks. In the meantime, she says, her employees have continued to step up to the plate by working later at night. Meagher also works at the shop two days a week.

"I plan to survive in a marketplace that's always changing. We're not going anywhere," Johnson says. "Every time we've been at a dangerous crossroads, my employees have built a bridge for me. I want to pay my employees back for what they've done for me." ●

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