

# TRIAD BUSINESS JOURNAL

## Small-biz deals in 2017

A snapshot of last year's transactions in the Triad.

JANE LITTLE, 12

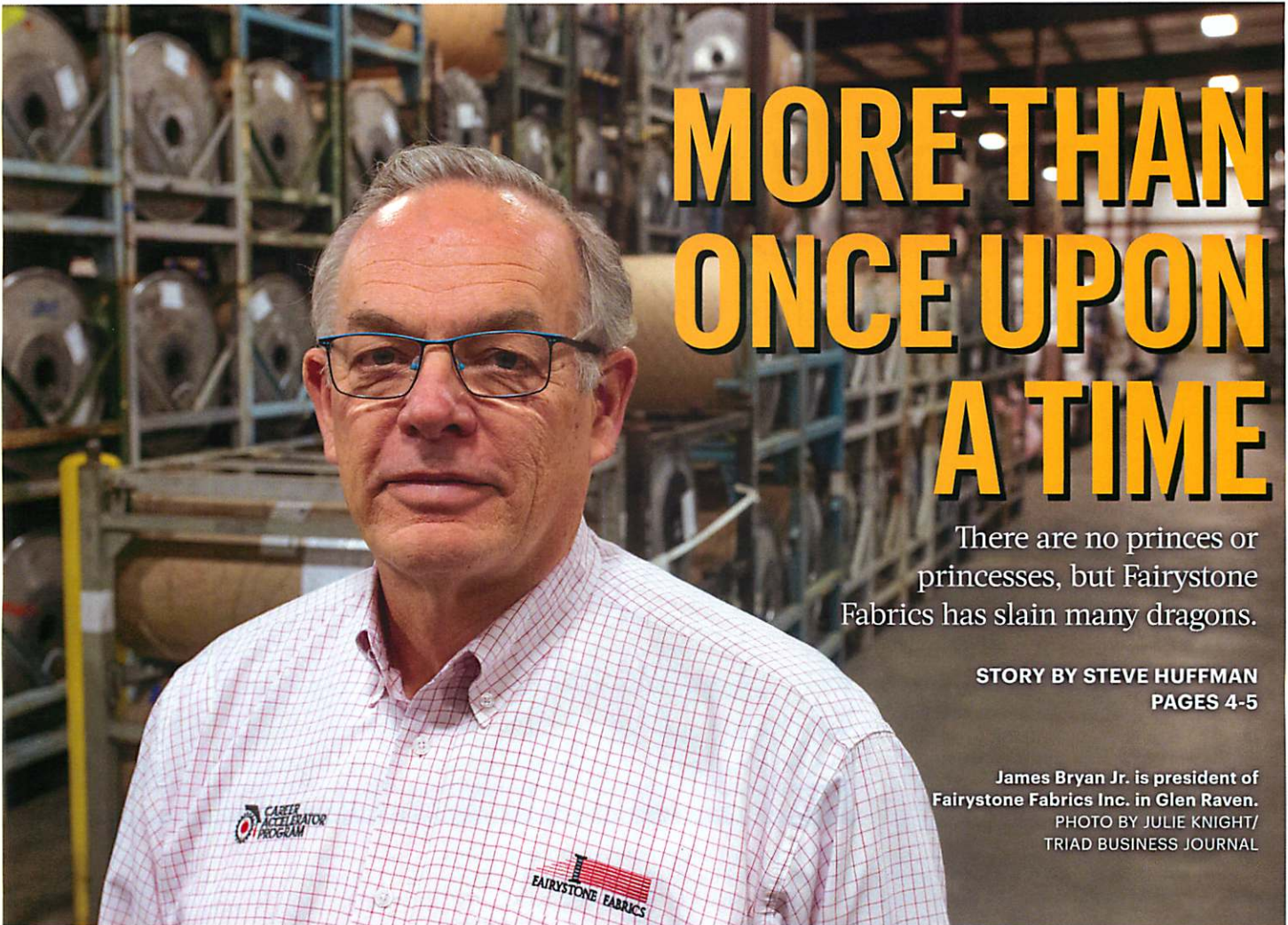


# MORE THAN ONCE UPON A TIME

There are no princes or princesses, but Fairystone Fabrics has slain many dragons.

STORY BY STEVE HUFFMAN  
PAGES 4-5

James Bryan Jr. is president of Fairystone Fabrics Inc. in Glen Raven.  
PHOTO BY JULIE KNIGHT/  
TRIAD BUSINESS JOURNAL



### WHY THE \$3.3B BUY?

#### Behind the Lincoln Financial-Liberty deal

Lincoln Financial Group CEO Dennis Glass shares why the purchase will help it expand its group benefits offerings. **JESSICA SEAMAN, 8**

### EXPANDING OPERATIONS

#### Packaging firm needs a bigger box

South Atlantic Packaging Corp. is moving into a nearby 148,000-square-foot Winston-Salem facility. **LUKE BOLLINGER, 9**



BUSINESSES TO SHARE BUILDING

### DOWNTOWN GROCERY IN THE WORKS 6

### NEAR-CAMPUS DIGS

#### Mill to be converted to apartments

Another Triad mill will be redeveloped into residences, this time near UNC Greensboro. **JOHN BRASIER, 7**

### INCREASED DIGITAL FOCUS

#### BB&T will invest \$50M in fintech

Chief Digital Officer Bradley Bennett discusses the bank's digital strategy. **JESSICA SEAMAN, 8**

# TRIAD BUSINESS JOURNAL

# Happily ever after

Adapting is key to this 'fairytale' that refuses to end

BY STEVE HUFFMAN  
Contributing Writer

**A**round 2010, during the height of the Great Recession, Fairystone Fabrics was in trouble.

The longtime textile manufacturer, located in Glen Raven, experienced a big decline in business as the economy tanked. It laid off 40 of its 135 employees, and 20 of the plant's tricot warp knitting machines were idled, then sold to overseas manufacturers as Fairystone struggled to stay afloat.

Prior to the economic downturn, a large share of the company's business was producing fabric for seats and headliners that went into Cadillacs, Chevrolets, Fords, Hondas and Subarus. Jim Bryan, Fairystone's president and owner, says that at the beginning of October 2009, Fairystone had 27 machines running pretty much full bore producing that fabric.

Within a month, every one of the machines sat silent, the demand for automobiles having ground to a halt because of the recession. It'd be March 2010 before there was a need to have any of the machines Fairystone used for the work returned to operation.

It wasn't a pleasant time, Bryan recalls, but it taught him some hard lessons.

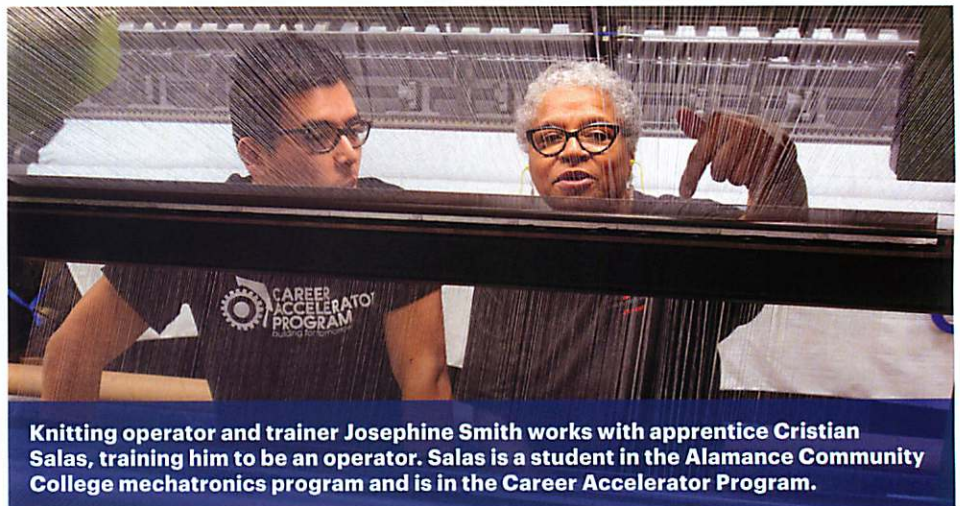
"It made me realize, if we can survive those five months, we can survive anything," he says.

Things have improved considerably for Fairystone in the years since, the company bouncing back from those rough economic times with a vengeance.

### 50 years of adapting

Fairystone recovered by doing what it's been doing through much of its history, by being anything but a typical textile manufacturer. The company, which turns 50 in February, long ago began branching out from the production of traditional textile products.

Bryan said smart American textile manufacturers figured out years back they couldn't com-



**Knitting operator and trainer Josephine Smith works with apprentice Cristian Salas, training him to be an operator. Salas is a student in the Alamance Community College mechatronics program and is in the Career Accelerator Program.**

pete financially with overseas companies when it came to the production of traditional textiles – things like T-shirts, underwear and socks.

Fairystone is now known as a "converter," much of the company's work involving converting yarn to fabric. It's part of the computer-driven world of "technical textiles" where plants are big and pristine.

A stroll through Fairystone proves the days of textiles being a loud, dirty business are a thing of the past.

"It's a skilled industry nowadays," Bryan says of the business. "Every one of our machines has a computer brain."

While the production of fabric for automotive headliners and seats makes up more than 50 percent of Fairystone's business, the company's work is diverse. Employees produce specialty apparel, industrial filtrations, home furnishings, gaming tables and embellishment apparel. Banners and flags for hotels and tradeshow are another part of the company's business.

Bryan says that as recently as 15 years ago, 85 percent of what Fairystone produced was apparel-related.

No more.

"We purposely moved in another direction," he says.

### Aligned with Glen Raven

The plant that Fairystone occupies was built in about 1960 by Glen Raven Mills to house its tricot division. Harold Bobo, a former executive with Burlington Industries, bought the plant from Glen Raven in 1968, a move that represented the birth of Fairystone.

Early on, Fairystone was a relatively small business, consisting of a warping operation and 59 tricot machines.

Bobo was ready for retirement in the mid-1970s, so his son, Tom, got out of the banking business and took over the company's operation. Over the years, the plant that Fairystone occupies has been expanded eight times, making more room for the knitting and warping departments as well as warehousing.

The plant now measures 104,000 square feet and there's another 29,000 square feet of warehouse space.

One of Fairystone's customers is Glen Raven

# TRIAD BUSINESS JOURNAL

Mills. Fairystone knits fabrics for Glen Raven's products before they're returned to Glen Raven for dyeing, finishing and coating. Then comes marketing and branding.

It's a process known as a "virtual vertical relationship" where a company (in this case, Glen Raven) focuses on its areas of specialization while relying on hired partners (Fairystone) for other aspects of the operation.

Harold Hill, Glen Raven's president of technical fabrics, says the link between his business and Fairystone is more a partnership than one involving client and customer.

"Where Fairystone starts and Glen Raven ends is almost difficult to differentiate," Hill says. "We're very closely meshed."

He says Fairystone is one of the few companies with which Glen Raven would be involved in such a relationship.

"They're outstanding, the best in their fields," Hill says. "They're a fine operation and an important part of what we do."

## \$1 million in checks

Bryan's association with Fairystone dates back 21 years to when he joined Tom Bobo as the company's executive vice president. He was promoted and served as Fairystone's president for 10 years before buying the company in 2011.

Now 64, Bryan admits the volume of work the company is experiencing of late has surprised even him. He won't discuss Fairystone's revenues, but says the company goes through 14 million pounds of yarn per year.

There's typically a 7 to 8 percent increase in business per year, though 2018 is on track to realize a 10 percent hike over 2017, which itself was 20 percent better than 2016.

Though the company has all but maxed out its available work space, Bryan says efficiency will improve with new machinery.

He wrote checks for \$1 million in equipment in December, the 10 new machines to be delivered by March and operational shortly thereafter.

"Machines are like people," Bryan says. "They each have their own personality. And some are harder workers than others."

With the new equipment comes more jobs. Fairystone returned to its pre-recession workforce of 135 employees years back and plans to add another eight employees by summer.

## Readying future workers

Bryan said one of the biggest problems facing Fairystone and similar textile plants is finding qualified workers. Chris Rojas is Fairystone's plant manager. At 32, his relative youth reflects that of

the new world of textiles.

Rojas graduated from N.C. State University with a degree in textile management, then spent five years as a process engineer with Milliken & Co. in Spartanburg, S.C., before joining Fairystone.

He jokes that members of his family questioned his sanity when he told them he was going to pursue a career in textiles, many believing the industry was all but dead. Now, they're proud of the path his career is taking.

"There are lots of positive things on the horizon," Rojas says.

Getting an even younger generation into the textile business is the aim of a program for which Fairystone has received recent recognition from Alamance Community College. The company is a founding member and leader in the Career Accelerator Program (CAP), an apprenticeship program that steers high school students toward a career in textiles or any number of other area industries.

Fairystone's involvement in the program is one of the reasons the company was just in December named ACC's 2017 Business Partner of the Year.

Fairystone also last year received the N.C. Manufacturing Extension Partnership Leadership Award for Advanced Talent Development. The award recognizes firms that provide employees the opportunity to advance their careers through education and training, the CAP program being one example of such.

CAP is still in its infancy, but the aim is to recruit high school seniors into the four-year apprenticeship where they'll be introduced to and work for any one of several industries. In addition to Fairystone, there are six other Alamance County businesses participating.

CAP involves the students working at Fairystone or one of those other businesses while also taking classes at ACC. When students complete the program, they'll have earned an associate degree and be guaranteed a minimum annual starting salary of \$36,000 at the company through which they were sponsored.

Bryan says by the time salaries and tuition costs are factored, the participating industries will have about \$150,000 invested in each student. But he feels it's money well-spent.

"Our biggest challenge is developing the next workforce," Bryan says.

Cristian Salas, 18, is one of two students apprenticing at Fairystone through CAP. He's a 2017 graduate of Cummings High School who works at Fairystone four days a week while taking classes at ACC on the fifth.

"It's a great opportunity for a young person to learn a career while going to school," Salas says of CAP.



Jannie Hall, a warping creeler, inspects some of the 14 million pounds of yarn Fairystone produces yearly.

## Appreciating loyalty

Bryan says he's proud of Salas, but equally proud of Fairystone's longtime employees. The company's quarterly newsletter is filled with notes recognizing employees who have been employed at Fairystone for 20 or 30 years or more.

One of those is 67-year-old Dewey Guye, a 48-year employee. He started with the company the day after graduating from Jordan Sellars, Burlington's black high school that existed in the days before desegregation.

Guye is a threader and noted that both his father and uncle worked for the operation that was to become Fairystone, back when it was still part of Glen Raven Mills.

"I come from a long line of people who stay with their jobs," Guye says, laughing as he spoke.

Guye's son, DJ, followed in his father's footsteps. He's worked for Fairystone for 22 years.

Dewey Guye said no employer is perfect, but noted that Fairystone has treated him well.

"They work with you," he says. "They look after their employees."

When his association with Fairystone ends is anyone's guess. Retirement isn't on Guye's radar.

"I still enjoy working, I still enjoy coming to work," he says. "I don't see myself quitting anytime soon."