



With 30 people working on the sewing floor of the Airtex Group's 35,000-square-foot Minneapolis building, the century-old textile company offers a quick turnaround time for clients. In November, Airtex completed a merger with Acme Made, and has added a new line of bags and laptop sleeves. (Submitted image)

Spotlight on Small Biz: Minneapolis textile company reaches acme after merger

By: Todd Nelson September 24, 2018 7:03 am 0

Editor's note: Spotlight on Small Biz is an occasional feature about a company, entrepreneur, or business issue.

The Airtex Group, a Minneapolis-based home textile goods manufacturer, is celebrating a century in business and its recent merger with Acme Made, a laptop sleeve maker with roots in 21st century Silicon Valley.

The Airtex Group, founded in 1918 as the Miller Bag Co., makes custom private-label products for major retailers and aviation, medical and automotive companies. Products, distributed in 40 countries, include Belgian linen drapes for Restoration Hardware, made in the Airtex Group's Minneapolis factory.

Under its new Acme Made brand, the company produces laptop and tablet sleeves and lifestyle and fitness bags sold in 25 countries.

The merger came about after Airtex CEO Mike Miller, the grandson of founder Sam Miller, and Acme Made CEO Michael Noer found that each had something the other was seeking.

Miller was looking to add branded products to the Airtex Group's private-label portfolio, which includes bedding, soft seating, pillows, custom bags, cases, backpacks and medical packs.

Noer was looking for investment partners after acquiring Acme Made in 2015, 13 years after a former Apple designer co-founded the company in San Francisco. Noer said it enjoyed a loyal following but needed new life to live up to its "authentic, simple, cool" tag line.

"The minute that I realized there was a manufacturing facility in Minneapolis, it became a no-brainer for us to figure out a way to come together," Noer said.

Miller bought into Acme Made in 2016. The sister companies completed their merger last November, uniting operations and their 100 employees in the Airtex Group's 35,000-square-foot building at 1620 Broadway St.

As senior vice president of the Airtex Group, Noer has assembled a largely new but experienced management team, which he said Miller was looking for after the retirement of a longtime business partner.



Michael Noer

"Mike and I hit it off pretty much instantly," Noer said. "We realized we had complementary things but not competing."

Noer previously worked as a Twin Cities-based business development director for Sweden's Thule Group, and exited after that company's 2014 public offering.

He said interest in products made domestically is increasing rapidly.

"A shift even in the past six months is we're getting asked even by the large big-box retailers more and more about our 'Made in USA' capabilities," Noer said. "Retailers are saying it's the Amazon effect. They're looking for ways to differentiate themselves by creating their own brands."

Domestic production gets products to market faster and allows for smaller minimum order quantities, Noer said. The cost differential with Asia is shrinking for reasons that include the potential tariffs on goods coming into the United States.

The Airtex Group offers full design services with rapid prototyping, and samples can be made available within days – compared with three to four weeks from Asia, Noer said.

With 30 people working on the sewing floor, the Airtex Group does short-run manufacturing and scales up to full production runs.

Since the merger, the company has created a spacious design center that can be arranged as a dining room, living room or bedroom, Noer said. Visiting customers can listen to presentations, examine materials and discuss new products.

The Airtex Group also sends design and product development team members to scout out trends and bring back ideas, Noer said.

"We invest in our people so they can get around the world to see trends, materials and colors years before they show up in the marketplace," Noer said.

The merger gives the company a diverse customer base, diverse product portfolio and diverse supply base, Noer said. In addition to its U.S. manufacturing, which accounts for 40 percent of production, the company has factory partners in Cambodia, Vietnam, China, Taiwan and India.

"It's hard to define a direct competitor with all the things that we're doing," Noer said.

As growth continues, a second production shift is possible, Noer said. The company owns its building and some adjacent land, so it has room to expand.

Noer has formed an advisory board, and work is beginning on a three-year strategic plan that will likely anticipate 2019 revenue growth of 15 to 20 percent.

Twin Cities-based strategic growth and brand building consultant Liz Barrere, a member of the advisory board, first became familiar with the company in 2006, while she was managing product development for home category private brands at Marshall Field's.

"Most of what Airtex does is private label, so the opportunity for some amazing brand building is there," Barrere said. "I also believe they are taking the right steps to position themselves for growth with their domestic manufacturing."

Barrere said Airtex should focus on growing as "a lifestyle brand with a local heritage and top retail relationships."

Miller and Noer are doing many smart things to build the Airtex Group, according to Dileep Rao, a clinical professor of entrepreneurship at Florida International University. (Rao, based in Golden Valley, was formerly at the University of Minnesota.)

"Speed is increasingly important in today's world," Rao said. "Miller and Noer are using it for advantage, and they are also monitoring emerging designs and trends. American entrepreneurs can beat Asian competitors on value added, especially in small lots."

Leveraging their domestic production is another good move, Rao said.

"Miller and Noer are jumping on the emerging trend of some manufacturing returning to the U.S. as American competitiveness increases with greater automation and based on government policies," Rao said.

The Airtex Group

Business: Designs, develops and manufactures private-label home textiles and home goods and sewn products for retail clients and for its own line of Acme Made backpacks, laptop sleeves, computer accessories and bags.

Headquarters: Minneapolis

Leadership: Michael Miller, CEO of the Airtex Group; Michael Noer, CEO of Acme Made and senior vice president of the Airtex Group

Employees: 100

Founded: The Airtex Group was founded in 1918 in Minneapolis as the Miller Bag Co. Acme Made was founded in 2002 in San Francisco. A merger of operations in Minneapolis was completed last November.

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