

Distributor Top 40

(Last year's rank in parentheses)

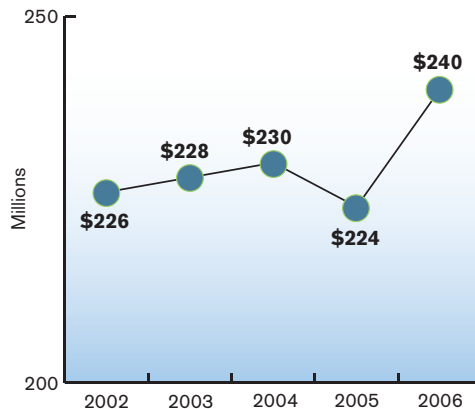
1 WearGuard-Crest (2) (asi/356061)

Innovation has been the watchword in recent years for WearGuard-Crest, whose status as a part of professional services giant Aramark has not prevented the company from moving in new directions, including the introduction of significant new product lines.

*** 2006 results:** Last year saw a 7% sales increase, helped by an initiative over the last couple of years to drive direct sales through the apparel supplier's rental customers. "We continue to have great results continuing to sell direct-sale product," says Mark Barrocas, president.

*** New in 2006:** The company expanded its product categories, seeing good results from recently introduced high visibility (safety) and women's business products. A line of fire-resistant clothing was new for 2006.

*** Personnel shifts:** WearGuard has recently turned over most of its senior management team. Since Barrocas' arrival in December 2005, the company has welcomed Cindi Shapiro, vice president of merchandising and Chris Rackers, vice president of human resources.



*** Top challenges:** Barrocas cites increasing competition from Internet suppliers and small-business clients being courted by local competitors.

*** Outlook for 2007:** Things are tracking well for 2007, with significant national accounts added to start off the year. New initiatives focus on improving customer service, and repositioning and elevating the WearGuard brand.

*** What the industry doesn't know:** WearGuard services over 300,000 business customers annually, taking orders as small as one piece all the way up to thousands. "I think what really makes us unique is how diverse of a customer base we have, and how customer-centric we are," Barrocas says. "If we have a customer and they bring a new employee on, we make sure that employee is starting work with a uniform."

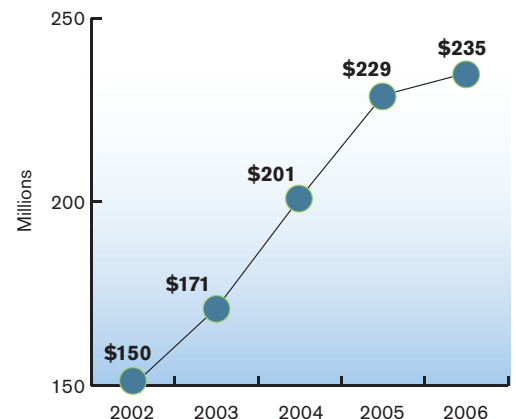
2 Corporate Express Promotional Markets (1) (asi/168786)

Last year's largest distributor slipped into second place this year, but there's no need to worry. Corporate Express posted a solid, but more earthy 2% growth, after 2005's impressive 14% growth. While it was edged out of the top spot, the company remains within striking distance for next year's list.

*** 2006 results:** "Speed, quality and innovation delivered to our clients are keys to our success and resulting increases for 2006," says Dennis Multack, president.

*** New in 2006:** Multack cites the company's long-term reputation, established infrastructure and experience for its continued success. "The depth of our relationships, the planning, the strategic link and the things we do for our clients, is beyond typical merchandise."

*** What the industry doesn't know:** Worldwide, Corporate Express employs nearly 19,000 employees in 300 locations in 20 countries.



Of all Top 40 distributors, WorkflowOne had the biggest revenue growth,

42%.

3 Proforma (3) (asi/300094)

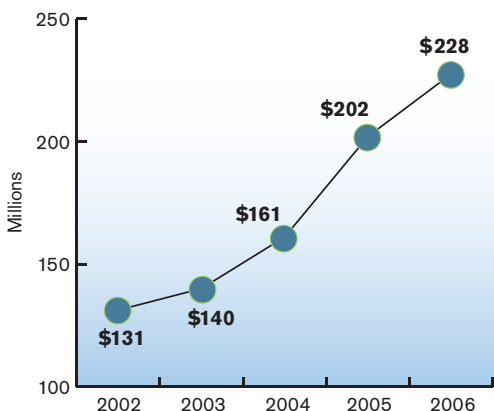
CEO Greg Muzzillo believes that, while Proforma's business model speaks for itself, continued success hinges on getting as many people as possible to listen. To that end, plans call for installing regional developers in 40 different locations around the country, to meet face-to-face with potential franchisees. The idea, he says, is to free business development from being tied to the support center at company headquarters in Cleveland. Nine of 40 developers are in place so far; sales, in the meantime, were up a healthy 12% from 2005 to 2006.

*** 2006 results:** Muzzillo attributes the company's recent success to the quality of its members. "We do attract very good people to membership at Proforma – good distributors looking to grow their business, and good salespeople who are ready to open their own business."

*** New in 2006:** A new company store program has led to the signing of some important clients, Muzzillo says, who appreciate the ability of custom-designed software to easily handle on-line ordering, warehousing, fulfillment and reporting functions.

*** Top challenges:** "Our biggest challenge is people understanding our model," he says. "The challenge continues to be to tell our story to the distributor marketplace and to the salespeople who are ready to own their own businesses."

*** Outlook for 2007:** Muzzillo says Proforma is tracking up 10% to 20% over last year. The company is also putting initiatives in place to "get into 30% or 40% growth" in the near future.



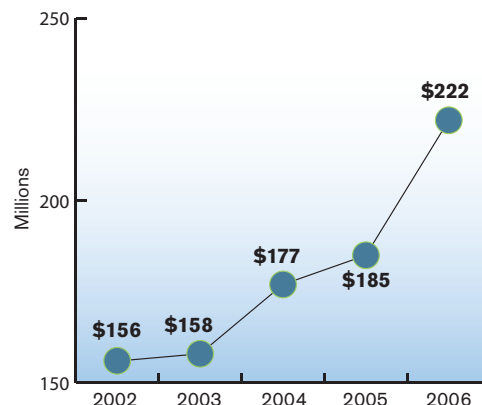
4 Group II Communications Inc. (4) (asi/215310)

Todd Cromheecke, director of new business, credits focusing on current clients for double-digit growth over the past year. "In some cases, it was more volume and in others it was expansion in responsibilities. But primarily it was organic growth with current clients."

*** 2006 results:** The explosive 19.4% growth last year can be attributed to a few key projects and expanded efforts with two *Fortune 500* companies.

*** Top challenges:** With no major market forces acting on Group II in 2006, its top challenge is continuing to streamline the organization and finding ways to operate more cost effectively.

*** Outlook for 2007:** "Our plan is to continue to drive year-on-year growth as we traditionally have," says Cromheecke.



That means continued success with current clients and growth through new clients will both be key initiatives this year.

*** What the industry doesn't know:** Every cooler or towel that you see on the sideline from local soccer to the NBA or NFL, is shipped through Group II.

5 Bensussen Deutsch & Associates Inc. (7) (asi/137616)

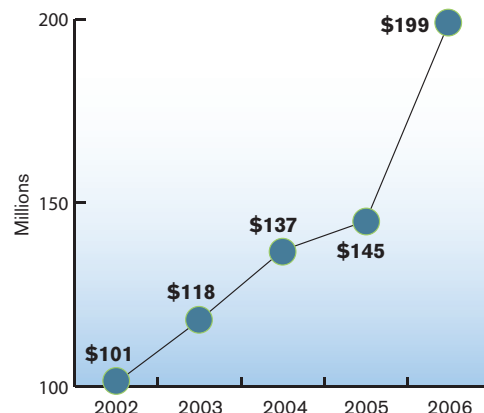
Coming off a great 2006, executives at Bensussen Deutsch & Associates wanted to do something special for employees. "As a reward for meeting 2006 stretch revenue goals, Eric Bensussen and Jay Deutch took the entire company to Las Vegas for a party and an exclusive concert with Zowie Bowie and Sugar Ray," says Vice President of Marketing Alison Paisley. BD&A's lucrative contract with *American Idol* producer and licensor FremantleMedia, which has been extended through 2007, may have put them in the concert mood.

*** 2006 results:** The company's 37% increase in sales compared to 2005 can be chalked up to new accounts and a growth in business with existing clients, Paisley says. "We extended our reach into our existing accounts, and signed new key deals in targeted business and entertainment arenas."

*** Personnel shifts:** Three new members joined BD&A executive management in 2006. Paisley stepped into the vp marketing role, Dan Sullivan became vice president of sales and Jeff Hansen was named GM and vice president of consumer products.

*** Top challenges:** According to Paisley: ensuring that back-end processes and procedures effectively support business growth.

*** Outlook for 2007:** The firm expects double-digit percentage revenue increases to continue.



6 American Identity (5) (asi/120601)

Last year was a year of transition for one of the nation's biggest corporate branded merchandise distributors. The departure of company President, Paul Pickard, early in the year led CEO Roger Henry to serve as acting president until August, when David Krumbholz was named president and COO. Also, the company was acquired in May by Staples, the office products giant.

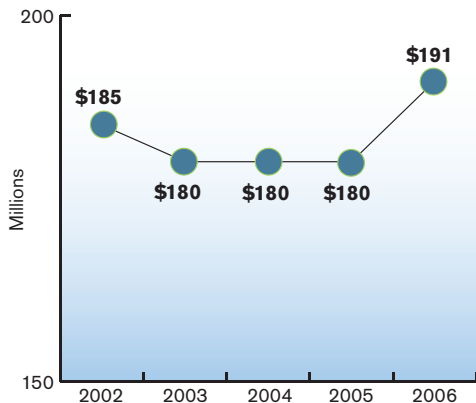
*** 2006 results:** American Identity enjoyed a sales increase of 37%, with growth coming on the strength of new, large account acquisitions and continued growth of existing accounts, according to Henry.

*** New in 2006:** The company is seeing unprecedented gains in international sales. "Our leadership in global distribution capabilities is creating significant growth opportunities with clients requiring worldwide services," Henry says.

*** Top challenges:** Henry named continued investment in technology geared to improving customer service as a top challenge for the firm moving forward.

*** Outlook for 2007:** Business is tracking ahead of 2006, and the outlook for 2007 is "very strong," Henry says.

*** What the industry doesn't know:** American Identity is over 60 years old, having been founded as a bowling shirt manufacturer in Bonner Springs, KS. The company has grown to over 800 employees.



8 Cintas (6) (asi/162167)

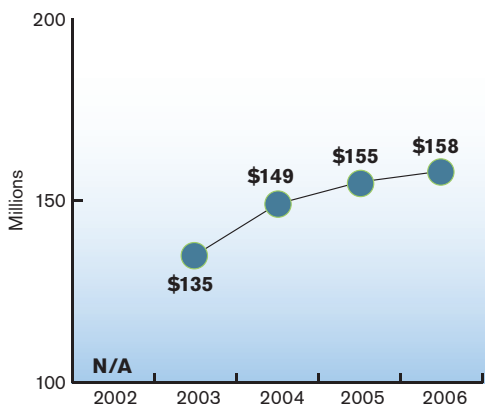
Cintas wants people to know that it's more than a uniform company. In fact, its business model provides localized service to meet its clients' many needs, but with a perk that most local companies probably don't have – the resources and backing of a \$4 billion company.

*** 2006 results:** Promotional product sales grew by \$3 million in 2006, reaching \$158 million, an increase of 2% over 2005. Jim Stutz, director of promotional products, attributes this increase to good relationships with suppliers, in addition to its team of merchandisers and program managers being able to use suppliers' products to satisfy their clients' promotional needs.

*** New in 2006:** Early in the year, Cintas acquired 20 uniform-rental operations and five first-aid services operations using the name Select First Aid.

*** Top challenges:** Staffing is always an ongoing challenge for a growing organization, Stutz says, "to continue to find top talent to help us serve our customers' needs – finding the right people."

*** Outlook for 2007:** Cintas runs on a fiscal year that ends May 31. So it recently wrapped up fiscal year 2007. Compared to the previous year, Stutz says, "fiscal year 2008 is looking extremely strong."



7 Geiger (8) (asi/202900)

With an increase of 25% in revenues, Geiger rose one spot on the *Top 40*, from eight to seven this year. Geiger made two acquisitions in 2006: Elliott Sales in Tacoma, WA, and Forrester-Smith, based in Brandon, FL.

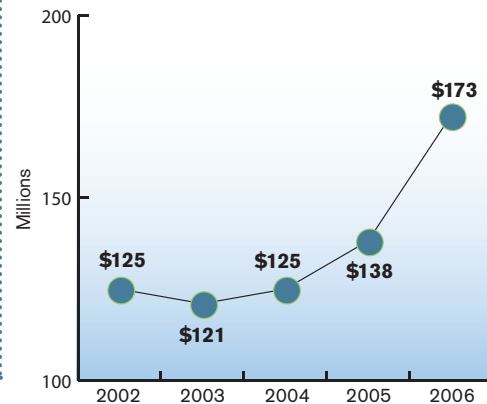
*** 2006 results:** Geiger had a record-breaking sales and profit year in 2006. The company attributes its results to its two sizable acquisitions, as well as solid organic growth. "Our growth from the existing sales force was more than double the growth rate of the industry," says Jo-an Lantz, executive vice president. "Our sales reps were successful coast-to-coast at securing national programs"

*** New in 2006:** Geiger's investment in technology exceeded \$2 million. It enhanced its Geiger Studio, which is an online art storage system that allows salespeople to catalog their artwork for prospects and clients. Also, the company invested in new, integrated Web sites and enhanced its help desk, which is now staffed by four full-time employees who provide technical help to Geiger salespeople.

*** Top challenges:** Lantz says that balancing relationships between clients, salespeople and suppliers is key. "We cannot grow at the expense of any relationship," she says. "We need to work diligently to maintain every relationship at a personal level."

*** Outlook for 2007:** Geiger is tracking more than 15% ahead of 2006.

*** What the industry doesn't know:** "Geiger is the largest, privately held, family-owned and -managed distributor in the industry," Lantz says. "The fifth generation of Geiger – Jeff Geiger – has now joined the firm."



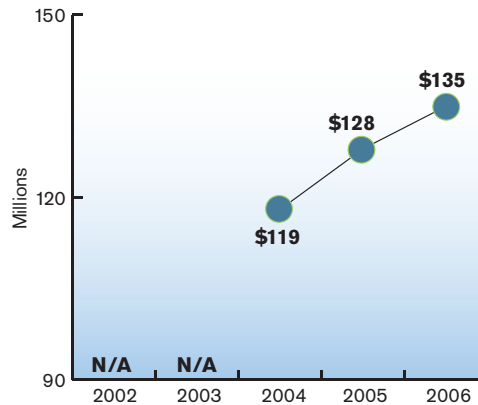
9 Adventures in Advertising (9) (asi/109480)

Last year was the first full year for Adventures in Advertising since its separation from former parent company 4imprint Inc.

*** 2006 results:** AIA's sales grew 5.5%, from \$128 million in 2005 to \$135 million in 2006. "I think part of the increase is just the professionalism and the maturity of the system, and part of it is the economy," says Rebecca Kollmann, director of marketing.

*** New in 2006:** AIA decided it was going to start selling franchises again. "We decided that midway through the year, and that may have added to some additional optimism in the system continuing to grow," Kollmann says.

*** Top challenges:** In 2006 these came mainly from getting back into the swing of adding franchisees again, Kollmann says.



"It was something that we hadn't done for a two-and-a-half- to three-year period where we had stopped to reorganize the system a little bit," she says. "We had the experience with the people that we had, but we really needed to reinvent our development activities."

*** Outlook for 2007:** 2007 has gotten off to a good start for AIA. It has added some new franchisees as well as some new sales affiliates this year, "So that's very encouraging," Kollmann says.

*** What the industry doesn't know:** AIA has more than one business model to offer to distributors: franchising and sales affiliation. "We have two different products that we can offer people, and that makes us unique," Kollmann says.

Two new distributors appear on the Top 40 list this year:

G&G Outfitters
at number

28

Positive Promotions
at number

34

10 Halo/Lee Wayne (11) (asi/356000)

Acquisition has been the buzzword for Halo over the past year. In fact, the whole company was even acquired earlier this year by public equity company Compass Group Management. Also, Halo acquired four distributorships over the past year. Two of those – Francis & Lusky and Tasco Promotions – are giving Halo even more sales coverage across the country. The Tasco deal alone added about 200 salespeople to Halo's coffers.

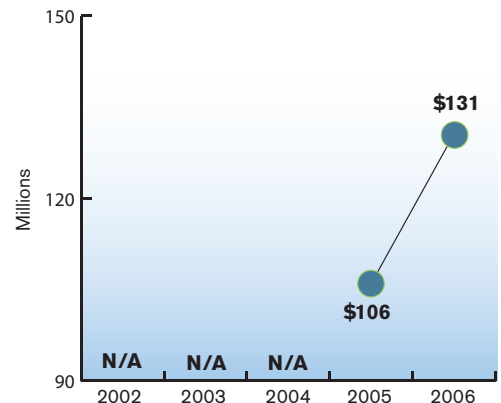
*** 2006 results:** The company's sales increased 23% from 2005 to 2006. Halo CEO Marc Simon attributes the big year to three factors: Greater productivity from

its existing sales force, the recruitment of experienced salespeople and acquisitions of companies in the Houston and Nashville markets.

*** Top challenges:** "We view the sales force as our customers, and the challenge is always to find new ways to add more value to their efforts," Simon says. "We focus on technology, training and improved sourcing as major initiatives to support our sales force."

*** Outlook for 2007:** Simon says that the company's recent acquisitions and addition of salespeople in new locations is causing Halo to track "considerably ahead" of 2006.

*** What the industry doesn't know:** "We measure and report on all aspects



of our support staff's performance for our sales force on a daily and weekly basis," Simon says.

11 National Pen Corp. (10) (asi/281040)

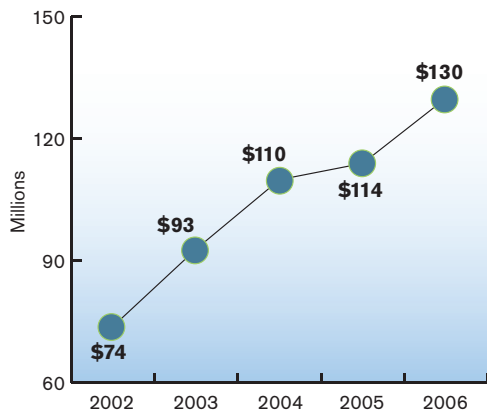
Its 14% sales increase since last year was the result of a host of new writing instruments, desk accessories, and tighter coordination of its various internal sales divisions. "We have been focusing in on tighter integration between all of our channels, which include sales, Web and mail," says Gregg Kornfeld, general manager, National Pen & Pencil Corp.

*** New in 2006:** The biggest change has been the addition of Rich Schulte as the new CEO. He spearheaded the purchase of New England Business Services Inc. (asi/282590) by Deluxe Corp. while president of Deluxe's small business division.

*** Top challenges:** The increase in postal rates is the single biggest obstacle going forward. "It means that you have to work on making your dollar work more for you," says Kornfeld. "That's when the integration of the channels is even more important."

*** Outlook for 2007:** National feels good about 2007, especially considering its recent purchase of fellow *Top 40* distributor, Atlas Pen & Pencil Corp. (asi/127000). "I think it's challenging for any company to continue to grow at double digits," Kornfeld says. "However, we remain optimistic thus far on the outlook for 2007."

*** What the industry doesn't know:** National has a separate European headquarters in Ireland and currently services 17 countries outside of North America, including all of Western Europe, Japan, Australia and New Zealand.



12 4imprint Inc. (17) (asi/197045)

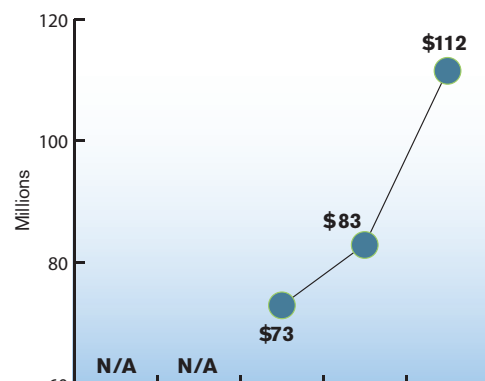
With a 34% increase in North American sales between 2005 and 2006, 4imprint finds itself in the driver's seat as new client General Motors, along with strong growth in existing accounts, powers profits. As reported by *Counselor* in February, the GM deal includes branded promotional items such as keytags, pens, caps and travel mugs.

*** 2006 results:** Company CFO David Seekings reports that no major shift in strategy lies behind the company's growth. "We're just doing more of the same, more effectively," with sales increases driven by a catalog/Web strategy.

*** New in 2006:** The company announced the acquisition of Supreme Holdings Limited in November.

*** Top challenges:** Recent years have been great for the industry, Seekings says, with a welcome shift to the use of more promotional products in the advertising mix. Moving forward, "The big challenge for everyone is gauging the state of the economy. We've all benefited in the past few years from a very buoyant economy. I think in one way or another if there is a downturn, it could be difficult."

*** What the industry doesn't know:** Parent company 4imprint Group PLC is a publicly quoted group on the London Stock Exchange, where it has been listed since 1953.

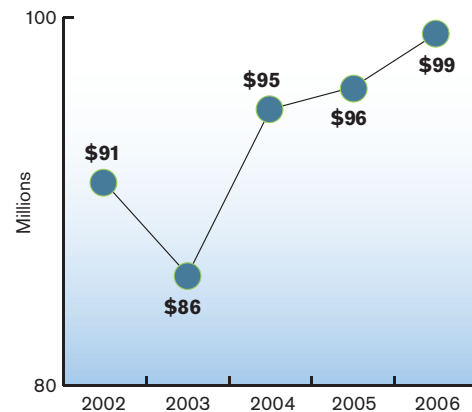


13 Tic Toc (12) (asi/158990)

Tic Toc, which is owned by ad agency giant Omnicom, increased its sales from \$96.2 million in 2005 to \$99.1 million last year.

*** 2006 results:** Paul Gittemeier, CEO of Tic Toc, believes the company is doing well thanks to a combination of factors. First, Tic Toc last year hired two seasoned new business development executives who were only casually acquainted with the ad specialty market, but are highly knowledgeable about marketing. "Their sole responsibility is to cultivate new business opportunities," he says. Second, Tic Toc decided to shed three *Fortune 250* clients that weren't profitable and were a drain on the company. "I wrestled with these decisions just to be sure they were right," Gittemeier says. "They were. We redeployed the people and resources against other clients and grew those businesses substantially."

*** New in 2006:** The company expanded its digital marketing capabilities in 2006. "We



can now support client programs requiring this discipline, thereby being a more complete resource to them," Gittemeier says.

*** Top challenges:** Appealing to new people in the job market. "The job market is tight," he says, "and young go-getters – who are most of our new hires – are looking for more than a job and a salary."

*** 2007 Outlook:** "We are up quarter to quarter and year-to-date compared to 2006," Gittemeier says.

14 Banyan Incentives (13) (asi/342382)

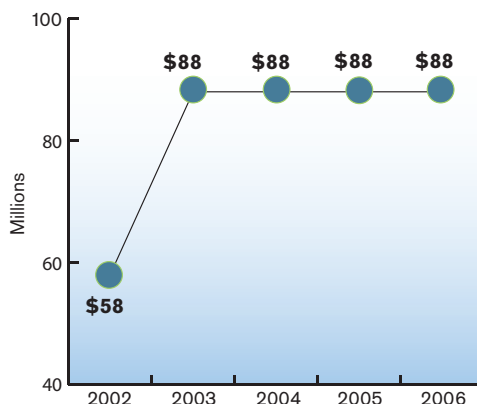
Banyan Incentives is composed of several companies, including Amsterdam Printing, Sales Guides Intl., Anderson's Paper and Party Suppliers, Anderson's School Spirit, Anderson's School Events and Anderson's Middle Zone. It is one of several companies that comprise the privately owned Taylor Corp., a \$1.7 billion company with over 15,000 employees, according to 2005 figures.

*** 2006 results:** Paul Griffiths, president of Banyan Incentives, declined to confirm *Counselor's* \$88.2 million estimate.

*** New in 2006:** Griffiths did break his silence when asked about the company's focus last year: "We continued to go more and more aggressively toward retaining the customers we have and less focused on getting new customers. So it's a small shift in focus."

*** Outlook for 2007:** The biggest challenge for Banyan going forward is simple: Postal rate increases. "It affects our cost more than sales," says Griffiths. "We try to put it into the product cost but it is really difficult. There's no value added. It just ups the costs without anything getting better."

*** What the industry doesn't know:** Taylor Corp. president Glen Taylor is owner of the NBA's Minnesota Timberwolves.



15 Summit Marketing (15) (asi/339116)

The full-service integrated marketing provider continues to benefit from a diversity of clients and services. Last year saw a 2.5% revenue increase over 2005.

*** 2006 results:** Sales numbers can be chalked up to "organic growth" in key accounts, along with additional product work in support of outreach programs for the U.S. Army, according to CEO Daniel Renz.

*** New in 2006:** Significant account growth for the firm's Arlington, VA-based Government Services Group was the most notable development in 2006, Renz says.

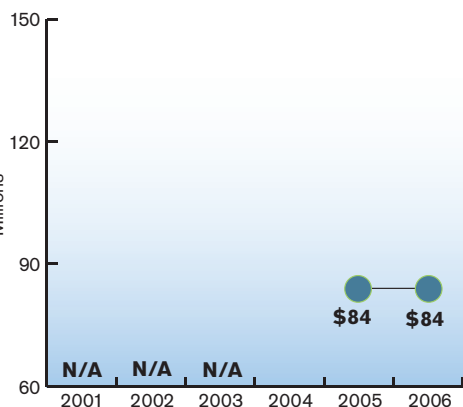
*** Top challenges:** According to Renz, the need to "identify and develop younger people into the industry on the sales side of the business"

*** Outlook for 2007:** Renz predicts double-digit-percentage sales growth in 2007.

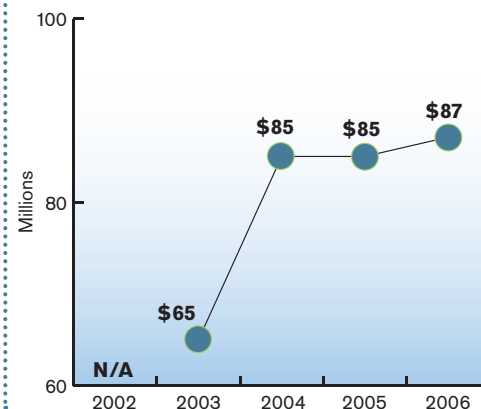
16 Myron (16) (asi/278980)

Counselor estimates put Myron's 2006 sales figure at \$83.6 million for a second consecutive year. CEO Jim Adler declined to confirm the figure or provide any additional information.

*** 2006 results:** The estimated sales figure first noted last year was gathered from the latest report from Dun & Bradstreet. In 2006, company President Paul D'Andrea told *Counselor* the company's revenues were significantly higher than the Dun & Bradstreet number.



*** What the industry doesn't know:** The company's first product in 1949 was policy wallets for insurance documents.



17 companies in the distributor Top 40 had double-digit growth last year, with an overall average of

11.25%.

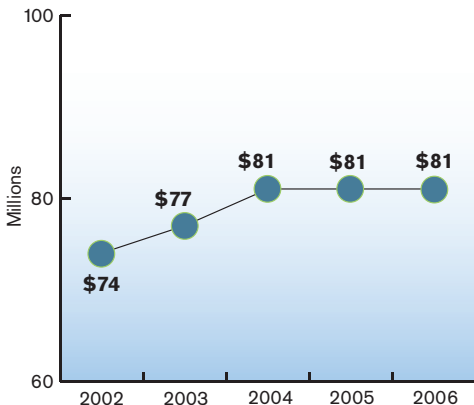
17 Mid West Trophy (18) (asi/270880)

Mid West Trophy sales remained flat in 2006, according to *Counselor* estimates. After doubling its sales in 2002 to \$74 million, the company has reported only a \$7 million increase the past four years.

*** New in 2006:** The company has a new building for its corporate division, MTM Recognition. The building is located on 20 acres in Del City, OK, and includes both an office building and manufacturing facility.

*** Outlook for 2007:** MTM Recognition was selected by the NCAA Official Awards Program Supplier to produce awards for all its program needs.

*** What the industry doesn't know:** Mid West purchased Jostens, the well-known class ring company, in 2001 after supplying them with product for over 20 years.



18 American Solutions for Business Inc. (21) (asi/120075)

In 2006, American Solutions for Business continued to work with Novation, a large health care purchasing organization that ASB landed a contract with in 2004, while also building profits from other areas.

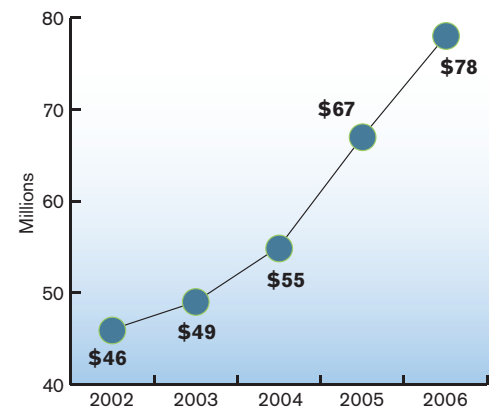
*** 2006 results:** Sales were up just over \$10 million, or 16% in 2006, resulting in a total of \$78.1 million. There were many reasons for this increase, including a partnership with sales associates from the recently bankrupted Global DocuGraphix; its continuing contract with Novation; and a sales force personnel growth of 8.5%. And new capabilities with its proprietary ACES online technology have helped drive growth as well. "We're averaging 5,000 orders a month coming through electronically where our sales reps never have to touch an order," says Wayne Martin, vice president of vendor relations. "We've got a little over 1,000 customers using that technology today."

*** New in 2006:** ASB began the process of establishing a new enterprise resource project system internally. "We went through a selection process last year, which included a lot of people from various functional groups in the company, and we've been going through the configuration phases now all of this year," Martin says.

*** Top challenges:** Increased competition from non-traditional distributors was a challenge in 2006 and that continues today. "I see a new type of company evolving, and it's a more creative-marketing-agency-type promotional distributor," Martin says.

*** Outlook for 2007:** Sales in almost all of ASB's categories are up for 2007, Martin says. "We've got some really good stuff on the radar screen right now, and we're really pretty excited about 2007"

*** What the industry doesn't know:** One of company President/CEO Larry Zavadil's favorite analogies for the company is an amoeba. "An amoeba, when you look at it, it's constantly changing its shape and form to meet its environment," Martin says. "Larry uses the amoeba over and over again, and it's so true when you look at who we were and who we are today."



19 Kaeser & Blair Inc. (19) (asi/238600)

Central to Kaeser & Blair's success is the company's relationships with its authorized, independent dealers, a fact that has always made professional support and service the keystone of its operation.

*** 2006 results:** After a year of essentially flat growth, sales at Kaeser & Blair grew about 3% between 2005 and 2006. The company attributes much of its increase to technological efficiencies – like its order processing system. "We automate as much of the order processing as we can," says Gregg Emmer, chief marketing officer. "We

still edit the orders with a human, but we have eliminated most of the keystrokes and have online checking"

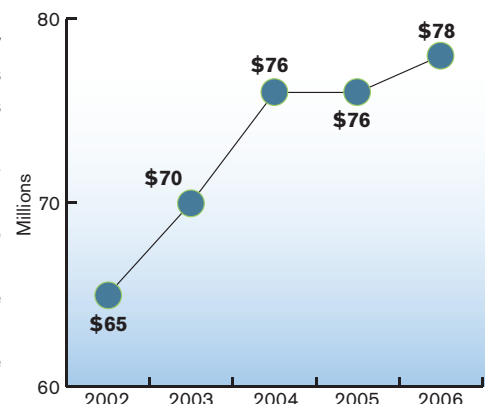
*** New in 2006:** CEO Kurt Kaeser cites new technology efficiencies, expanded programs and new dealer relationships as hallmarks of 2006.

*** Top challenges:** Staying on top of cutting-edge technologies and programs.

*** Outlook for 2007:** Sales continue to trend upward through 2007, Kaeser says.

*** What the industry doesn't know:** "We're probably the oldest distributor in the industry, with roots back to the 1850s and at the same time we're one of the leading distributors with

cutting-edge, revolutionary programs and processes," Kaeser says.

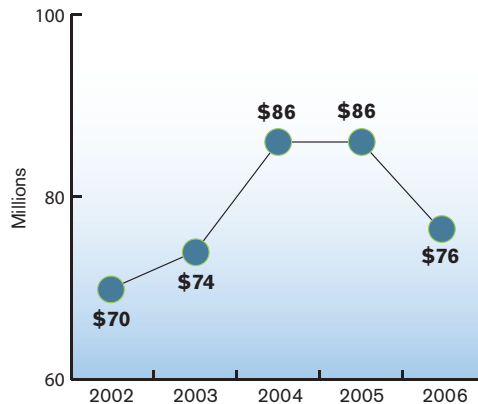


20 Jack Nadel International (14) (asi/279600)

Last year saw the death of longtime president Marty Nadel (in April) and the passing of the leadership torch to his son, Craig. Company founder Jack Nadel continues in his role as chairman of the board of directors, while Executive Vice President Robert Buckingham was promoted to chief operating officer.

*** 2006 results:** "Sales were flat with an asterisk," according to Craig Nadel – the asterisk accounting for a \$10 million drop in revenue from 2005. The entire loss can be chalked up to one account, a cash debit

card business, he says. "There was no margin, but it was a really big sale and big chunk of the business."



*** New in 2006:** The company opened two new offices last year, in Dallas and Chicago.

*** Top challenges:** "Getting and keeping good salespeople is always number one," Nadel says. "We're in the people business."

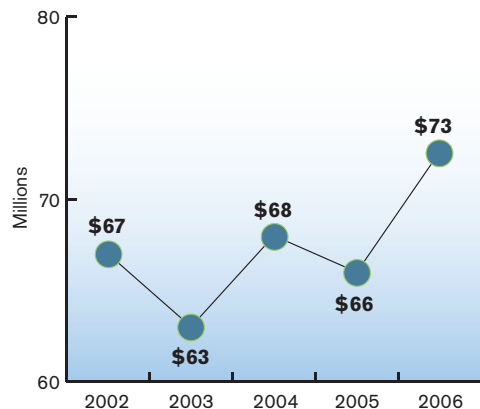
Outlook for 2007: With the company's fiscal year ending March 31, "it's too early to say," Nadel says. "We obviously, to a degree, roll with the economy."

*** What the industry doesn't know:** With an eye to greater service and efficiency, the company developed its own order-writing system on the Web, maintaining a version for clients as well as internal employees.

21 The Vernon Company (22) (asi/351700)

New marketing initiatives and internal efforts to maintain high employee retention rates have executives at The Vernon Company feeling very positive about the firm's direction. Adding to the good feeling is a 10% increase in revenue between 2005 and 2006.

*** 2006 results:** Vice President of sales Dave Regan chalks sales success up to three factors: Large orders and new fulfillment programs from new and existing clients, employee retention and the addition of more than 40 experienced industry account managers to the Vernon team.



*** New in 2006:** A new program ties direct-marketing efforts to specific sales associates, including individual names and contact information. "The sales force has been overwhelmingly supportive of these initiatives, and for that reason we expect to expand our efforts in 2007/2008," Regan says.

*** Personnel changes:** Jeff Burnett was promoted from his former position of director of marketing to vice president of marketing.

*** Top challenges:** The company sees industry public relations as a key challenge.

"We have an objective to make sure people in this industry really know who we are, what we offer and what we are all about," Regan says.

*** Outlook for 2007:** Regan says the company is running about 6% ahead of last year's shipments. "We continue to add good quality people to our sales team via new hires and a number of acquisitions of small to mid-size distributorships," he says.

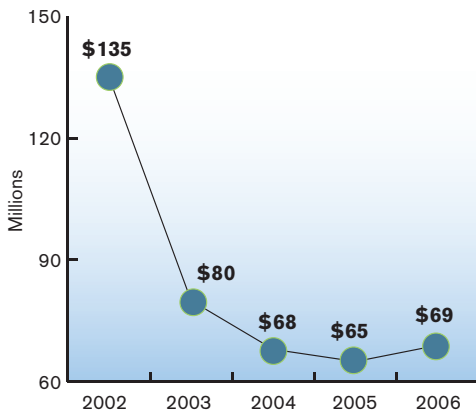
*** What the industry doesn't know:** Of the company's top salespeople, 50% are women.

One top distributor challenge: "Getting and keeping good salespeople is always number one."

– CRAIG NADEL,
JACK NADEL INTERNATIONAL

22 Evigna (24) (asi/155460)

"We're a pretty entrepreneurial group and we're very committed to driving growth in this business," says Evigna President Shan Mehta. This has meant refocusing the company to go after long-term, contracted relationships with big brands, rather than one-off sales.



*** 2006 results:** Mehta says that sales last year benefited from new account growth, but were primarily driven by existing accounts. "It usually takes a year or two to really penetrate a new account, so you really don't see an uptick in revenue until at least a year out," he says.

*** New in 2006:** Evigna signed contracts with a host of *Fortune 500* companies, including Bose, Hyatt, Harman/Becker, Blue Cross national and Ely Lilly, becoming the preferred, or, in many cases, the exclusive provider. The new account growth required a 30% increase in the number of personnel, to just under 200 employees. "We've invested a great deal in new technology infrastructure to drive customer service," Mehta adds, including new ERP, call center and warehouse management systems.

*** Personnel shifts:** Evigna hired a new head of operations, Pete Reisner, as part of its effort to increase supply chain efficiency and reduce delivery times.

*** Top challenges:** "As we focus on big brands, they change their strategies very quickly," Mehta says. "Each industry has their own issues and continued shifts from year to year, and our biggest challenge is to be able to react to those shifts."

*** Outlook for 2007:** The company expects growth of around 20%, dependent on demand among top end clients.

*** What the industry doesn't know:** Evigna oversees a managed, rather than commissioned, sales force. "I think that's a departure from the way most of the companies operate in the industry," Mehta says.

23 Brown & Bigelow (23) (asi/148500)

Acquisitions were the big news at Brown & Bigelow last year. They acquired two companies: Lemark Advertising, located in Long Island, NY, and the Costa Mesa, CA IPW Product Development, which merged with B&B's Anaheim, CA, offices in October.

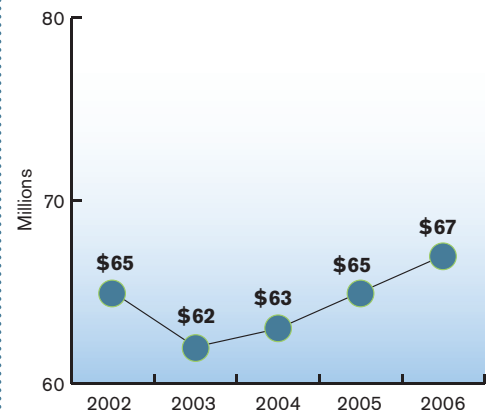
*** 2006 results:** B&B was up \$1.8 million over last year, which Executive Vice President William D. Smith, Jr. says is due to the new companies. "In 2006, our sales increased \$1,814,000 from \$65,268,000 to \$67,082,000, and we attribute this gain to the acquisition of the two distributors. Both of these new offices will continue to support our new salespeople locally."

*** New in 2006:** They weren't the only new offices last year. The company also opened one in Salt Lake City and hired three new sales reps to staff it. The executive team was expanded with Dave Thorman joining as vice president of national accounts and Emmett Taylor as regional vice president of the central region.

*** Top challenges:** "Continuing to get our message out to salespeople in the industry: local support, employee status and a 50/50 split of the gross profit," Smith says.

*** Outlook for 2007:** "We are optimistic about the business prospects for 2007," says Smith. "While some companies have had to reduce their budgets, others are increasing their promotional spending, and that's good for our company."

*** What the industry doesn't know:** Of the company's top 60 salespeople, 63% of them are women.



The difference in revenue between the top distributor and last distributor on the list is

\$207.2 million.

24 EmbroidMe (20) (asi/384186)

EmbroidMe's expanding network of retail franchise operations has benefited from new printing technologies and product lines as the company continues to refine its strategies for sales success. Sales were up 40 % between 2005 and 2006.

*** 2006 results:** Tipton Shonkwiler, director of marketing, attributes the sales spike primarily to the addition of new stores. "Between '05 and '06 we put about 100 new franchisees in to the system." All new stores opened with a direct-to-garment printer that allows franchisees to

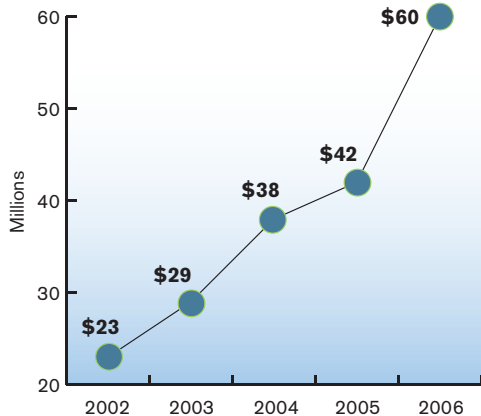
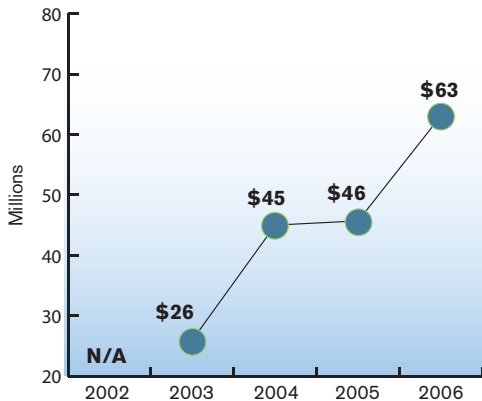
generate new sales at the store level, rather than sending orders out to be screen printed.

*** New in 2006:** A new private label product line "really started to get legs" in 2006, Shonkwiler reports. Sales of the EmbroidMe Collection were very good, and the fourth quarter saw the introduction of a higher-end product line for Varendan: golf shirts.

*** Top challenges:** "The biggest challenge that we have is continuing to educate our franchisees on the importance of building sales with the strategies we have in place," he says.

*** Outlook for 2007:** "We're looking forward to our best year ever," Shonkwiler says.

*** What the industry doesn't know:** "Because of the name EmbroidMe, a lot of people associate what we do with embroidery, but we do a lot of other things for clients, including marketing campaigns for promotional products, school uniforms and athletics."



26 WorkflowOne (29) (asi/333647)

WorkflowOne has not made many waves in the industry, but that's going to change very soon. "We've turned 180 degrees," says Dan Welborne, vice president of the promotional division. "Promotional products is the number-one initiative in the company. And that's pretty big for a billion-dollar company to pick a space that we've been doing \$35 million in

and say that is our number-one initiative."

*** 2006 results:** Its new direction has already resulted in an amazing 42.9% growth in promotional sales.

*** New in 2006:** Leading the promotional charge is Welborne, who was hired in October 2006. He has hired five regional promotional products directors to oversee the company's new direction. "That's their only responsibility and my only responsibility," he says.

*** Top challenges:** "Getting the massive number of employees that we have to believe that we are serious about promotional products and that we will be good at it," says Welborne. "Some of these veterans have 25 year's experience selling to print. Suddenly we're telling them we are a promotional products company, and they may not have believed that right away."

*** Outlook for 2007:** "I believe that we will have upwards of 200% increase. We are already on a track of 100% increase," Welborne says.

25 Artcraft Promotional Concepts (25) (asi/125050)

Artcraft's knack for strategic expansion and targeted services has kept the firm seeing black. The Moorestown, NJ-based distributor, which specializes in custom product design, enjoyed revenue growth last year topping 16%.

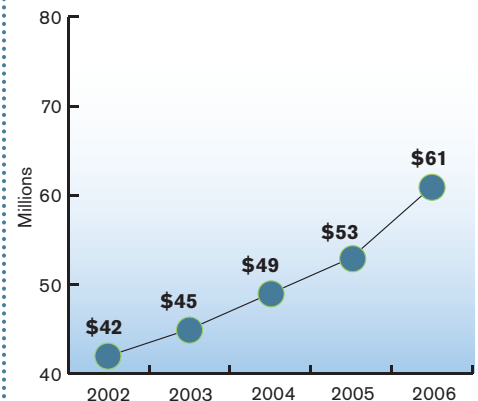
*** 2006 results:** "Increased sales in 2006 is a confirmation that our clients value the expanded services that we forecasted they would require," says Vice President Harold Zimmermann.

*** New in 2006:** Last April, Artcraft purchased a 50% interest in Anatstat, USA, a Flemington, NJ-based health education media company. The purchase "enables us to offer world-class models and teaching tools," Zimmermann says. "Anatstat has collaborative medical association relationships and focus group capabilities." The company's direct marketing division also expanded into several new markets.

*** Top challenges:** Zimmermann puts continuing to improve value for clients at the top of the list of challenges for 2007.

*** Outlook for 2007:** Citing the soundness of business initiatives strategized and implemented over the past year, Zimmermann expects 2007 to be "very good."

*** What the industry doesn't know:** "The Artcraft difference is simply the culture," Zimmermann says. "We hire good people with passion, and provide them with the necessary tools to exceed client expectations."



27 Corporate Edge (26) (asi/168860)

Focusing on e-commerce has proved profitable for Corporate Edge, which designs, manufactures and distributes promotional materials. In-house manufacturing means flexibility and creative expertise for the company's *Fortune 500* clients, but creates supply chain challenges that have led to some consolidation of operations.

*** 2006 results:** CEO Scott Levy reports sales increases in e-commerce and among existing clients the primary factors driving 20% revenue growth from 2005 to 2006.

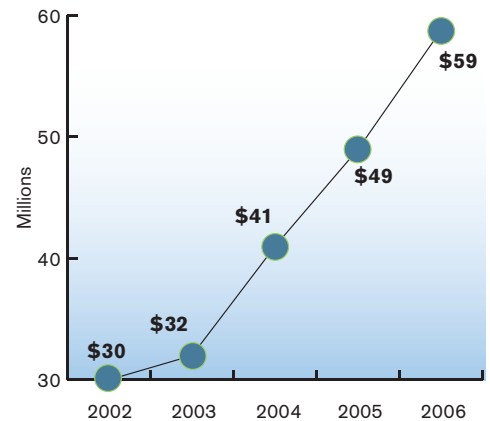
*** New in 2006:** The company has brought its entire e-commerce operation in-house,

from software platforms to Web design and hosting, sourcing, billing and warehousing. The effort brings together "the whole complete management of the corporate store."

*** Top challenges:** "The goal in the beginning of 2006 was to build up that e-commerce department," Levy says.

*** Outlook for 2007:** Sales are up 15% so far, though much of the company's business comes in the fourth quarter. Levy estimates a 10% overall sales increase for the year.

*** What the industry doesn't know:** It's been five years since the merger of Corporate Image and Selling Edge created Corporate Edge. "In those five years, the company has doubled in size."



28 G & G Outfitters (N/A) (asi/199904)

G & G Outfitters may be new to the *Top 40* but the company has been around for 17 years now. Why the sudden emergence? The company decided to get its name out in the public more, as part of its strategy for growth. "If we're going to try to continue to improve that top-line revenue, we realize we're going to have to be a little more forthcoming with our numbers," says Richard Gergar, executive vice president.

"Clearly by sharing our numbers, we become more legitimate in the eyes of any potential customers who may be looking to see who's a world-class provider in this space outside of the big boys."

*** 2006 results:** With sales of \$51.3 million in 2005 and \$58.3 million in 2006, G&G saw an increase of 14%. The increase in sales can be attributed to the company's many divisions marketing themselves aggressively. For example, its motor sports and

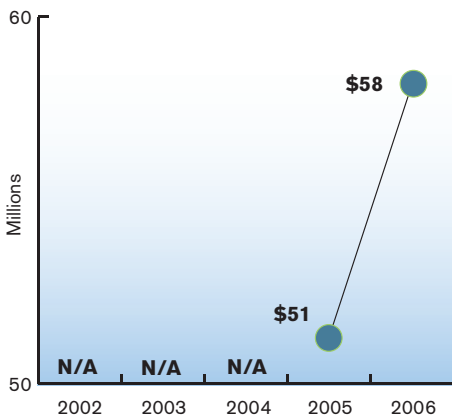
beverage divisions have people who call on clients in specific regions to develop and implement branded merchandise promotions for those specific channels. "That's really paid a lot of dividends," Gergar says.

*** New in 2006:** Both the motor sports and beverage divisions were created in 2006 to better tap into these lucrative markets.

*** Personnel shifts:** G&G appointed Steve Hirschorn regional vice president of its newly established Overland Park, KS, office.

*** Top challenges:** Managing and maintaining growth have been top challenges for G&G. "As the top-line revenue number becomes bigger, trying to maintain a 10%, 20%, 15% growth rate becomes that much more challenging," Gergar says.

*** What the industry doesn't know:** G&G started as a small company that sold and screen-printed T-shirts. Today, it still does that, but has grown to a company that also has approximately 160 embroidery heads and a fulfillment division, along with its promotional products sales and marketing organization. "Not many, if any, of our competitors in the marketplace have that manufacturing base as part of their promotional products solution for their customers," Gergar says.



29 Newton Manufacturing (27) (asi/283300)

"Our growth comes from the efforts of our salespeople," says Jerome Hoxton, president. To that end, the distributor has been an innovator in online sales support.

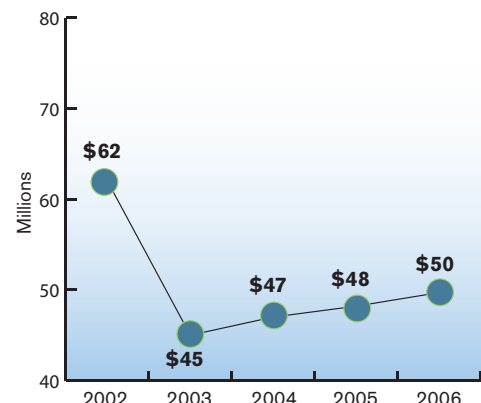
*** 2006 results:** Sales were up 3% thanks to "a lot of hard work, good salespeople, cold-calling and providing more value service to prospects and customers," Hoxton says.

*** New in 2006:** "We were able to partner with a lot of new representatives that had good contacts," Hoxton says, also mentioning new online services such as a Web-based data management program.

*** Top challenges:** Further expansion and evolution of the services needed to support the sales group, including "more use of technology to support transactional processes."

*** Outlook for 2007:** Hoxton says he expects a growth year.

*** What the industry doesn't know:** Newton Manufacturing will be 100 years old in 2009, and has been in business in the same Iowa town since its inception.

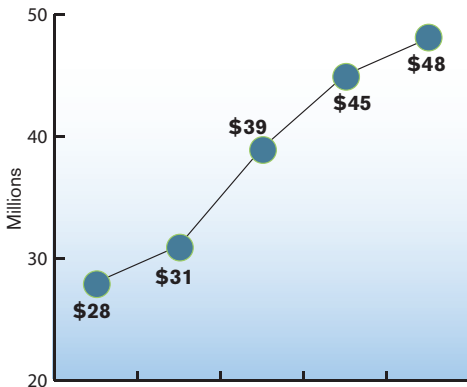


30 Gary Mandel Promotional Concepts Inc. (28) (asi/260340)

This Santa Monica, CA-based distributor has been selling and designing custom promotional products since 1976 with President Gary Mandel at the helm. The company has a diverse client base that includes brands such as Kraft, Pepsi, Gap and Pfizer.

*** 2006 results:** Gary Mandel followed up a double-digit growth year in 2005 (15%) with a more pedestrian 7% increase in 2006. While the company's growth has slowed a bit, it has gotten larger – from \$28 million in 2002 to its 2006 total of \$48 million.

*** What the industry doesn't know:** The company has been importing products from Asia for more than 30 years. It even has its own in-house logistics department staffed with full-time shipping and U.S. Customs experts.



32 CorpLogoWare (33) (asi/168827)

For 2006, the growth for CorpLogoWare runs deeper than the numbers, says President/CEO Jack Levine. The company had asked 25 of its lower producing account executives to leave, and added 30 higher producing ones, resulting in higher profitability.

*** 2006 results:** CorpLogoWare enjoyed a 40% increase in sales over 2005's \$30.1 million, resulting in \$42.1 million in sales for 2006. This can be attributed to the higher producing account executives, along with the results of a healthy economy overall. In addition, Levine says, "Our U.S. Olympic Team license has continued to provide not only entrée to new clients but also increased

31 Merit Industries (31) (asi/268100)

Company President Herbert Piller believes quality of service and good research can trump bargain-basement offerings when it comes to winning clients. Merit Industries has found success – sales were up nearly 10% last year – providing quality promotional items that deliver both marketing and public relations benefits.

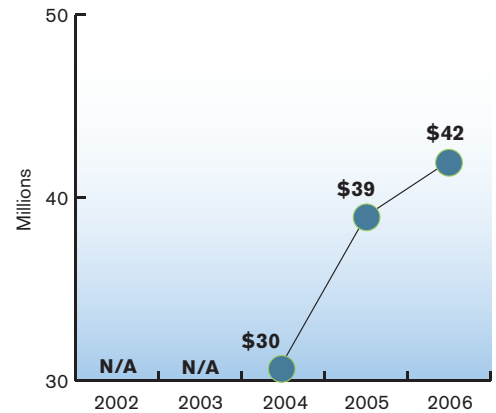
*** 2006 results:** Piller credits increased advertising as a key factor behind revenue numbers, maintaining a monthly presence in 120 publications.

*** New in 2006:** In a strategic move, Merit dropped customers with orders of less than 1,000 pieces. "We have either upgraded smaller clients or cut them out," Piller says, bringing the company's average order size to 3,000 to 5,000 pieces, he says. "It doesn't pay to take an order for a couple of hundred pieces," he says.

*** Top challenges:** "To come up with new, exciting products," Piller says. The company has latched on to the green movement, in one instance supplying live trees for a giveaway promotion run by an oil refiner seeking to burnish its image after a spate of bad publicity.

*** Outlook for 2007:** Sales are up 22% from where they were a year ago, according to Piller. The secret? "We're working our butts off."

*** What the industry doesn't know:** "We sell at list prices only, because we put a lot of research into our suggestions, and large companies are willing to pay our price," Piller says. "We've had some big customers for 35 to 40-odd years."



Only five companies had flat, or

0%

growth last year.

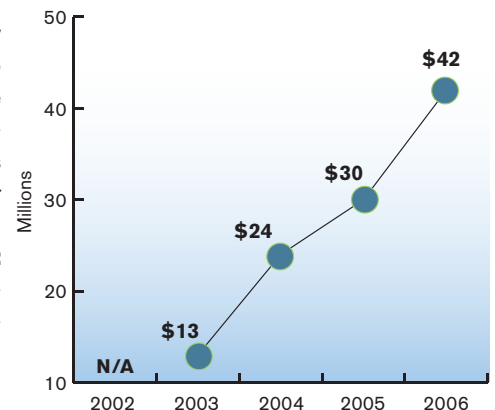
credibility for all of our account executives"

*** New in 2006:** In late 2006, CorpLogoWare added a NASCAR license, which Levine expects will have a major impact on 2007 revenue.

*** Outlook for 2007:** Thanks to the new NASCAR license, CorpLogoWare is also expecting a strong showing in 2007, Levine says. And the addition of several higher producing account executives in late 2006 has the company expecting 40% year-to-year growth again for 2007.

*** What the industry doesn't know:** CorpLogoWare combines two different business models to help make its account executives successful: carrying licensing and hiring independent contractors. "We merge both, in

that our company is comprised mostly of independent contractors who work on their own accounts but also have licensed accounts as a way to bolster their base," Levine says.

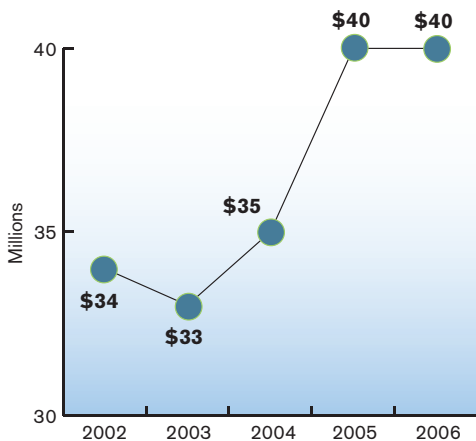


33 Thomas Direct Sales (30) (asi/343878)

Founded in 1986, Thomas Direct Sales is a family-owned business that started in a basement in Ironia, NJ. Headed by President Nancy D'Andrea, it has blossomed into a \$40 million global business and one of the top woman-run businesses in the country.

* **2006 results:** Thomas Direct Sales is another company joining our no-growth club, according to a *Counselor* estimate.

* **What the industry doesn't know:** *Professional Woman Magazine* named D'Andrea to its Top 100 Minority Women Business Owners list.



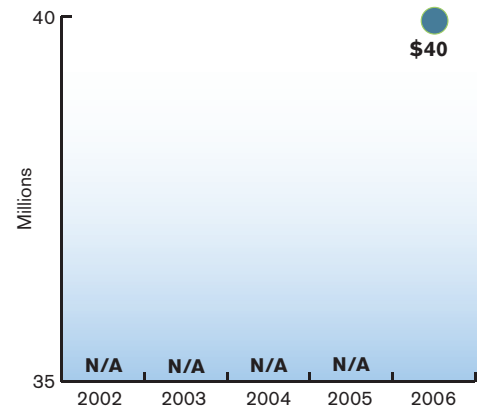
34 Positive Promotions (N/A) (asi/297370)

According to *Counselor* sources, Positive Promotions garnered an estimated \$39.5 million in sales in 2006. While Nelson Taxel, the company's president, won't confirm or deny this estimate, it places Positive Promotions at number 34 on this year's *Top 40* list.

* **About the company:** Positive, which is based in Hauppauge, NY, has been in business since 1947. The company's strategy is to break its offerings up into market specialties. It's Web site, www.positivepromotions.com, has specific sections for various events (like Breast Cancer Awareness and Black History Month), as well as topline tabs for markets such as schools, safety, recognition, and health and wellness

* **Go to market strategy:** The company tries to be a one-stop-shop destination for its customers. It offers customers the ability to purchase through any of three vehicles: catalog, over the phone, or through its Web site. The company even employs event planners and product-finders to help its customers locate the promotional items they need.

* **What the industry doesn't know:** Each year, Positive donates a portion of the proceeds from its National Breast Cancer Awareness campaign to the American Cancer Society. In 2005, Taxel presented a check for \$23,500 to ACS representatives.



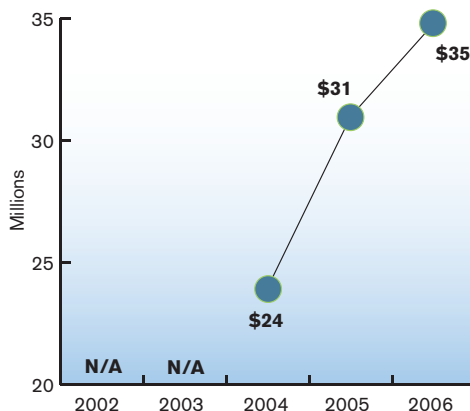
4imprint is the company that made the biggest leap this year, moving up five spots from 17th on the list to 12th.

35 Norscot Group (38) (asi/284520)

Norscot is an international distributor with locations in Europe, China and several locations across the U.S., including a headquarters in Wisconsin. President Scott Stern says the company's continued success comes from its ability to find new clients and new markets, but prides itself on the number of referrals it gets from satisfied customers.

* **2006 results:** Norscot nearly doubled its growth over last year, with a 12% increase. Stern cites the addition of several new major clients as the biggest reason behind the increase.

* **New in 2006:** The company moved into a new facility several years ago, giving



it additional space to expand its service capabilities. In 2006 it was finally able to truly take advantage of all this change, says Stern: "Now we can photograph products

and send them to clients electronically. We expanded our creative department and added more artists, because we do all of our own catalogs and graphics. It just gives us a lot of flexibility and helps us introduce products faster."

* **Top Challenges:** Norscot manufactures die-cast models along with being a full-scale distributor. Unfortunately, it means that the increases in raw material costs in 2006 hits them directly.

* **Outlook for 2007:** "We are looking forward to another year of double-digit growth," Stern says.

* **What the industry doesn't know:** Norscot has been an industry distributor since 1970; Stern has been with the company since 1974.

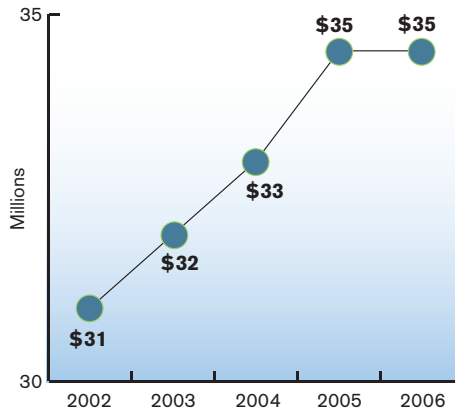
36 Atlas Pen and Pencil (32) (asi/127000)

Atlas Pen & Pencil Co.'s 2006 performance is bound to be overshadowed by National Pen Company's May 2007 purchase of the company (the two will continue to operate under separate company names and brands); still, recent infrastructure improvements, a solid client base and an increasing diversity of offerings make clear Atlas' appeal to National Pen.

2006 results: Atlas' sales in 2006 were essentially flat, off a few thousand dollars from 2005. "Last year, the company diverted some of its advertising dollars to enhance our systems and our e-commerce platforms," says Gregg Kornfeld, new general manager of the combined companies.

*** New in 2006:** The company continued to launch a number of new products in all divisions, Kornfeld says, seeing good sales of trendy electronic products, like USB pen drives and storage devices and MP3 players and recorders.

*** Top challenges:** Heightened competition, pressure from imports that continuously erode profit margins and the increasing price of postage. "The dramatic, arbitrary increase in postage is a huge challenge for all of the direct marketers,"



he says. "It goes right to the bottom line."

*** Outlook for 2007:** "The 2007 outlook is of course affected by the acquisition," Kornfeld says. "The National Pen acquisition of Atlas will bring lots of opportunities in inventory, system synergy, a wider area product line."

*** What the industry doesn't know:** "It's the third generation of one family working in the company," Atlas Pen CEO Bob Schneider says. "My father started the company in 1941, I joined the company in 1973, my brother Eric joined the company in '75, and my son David joined the company six years ago."

As a combined group the Top 40 distributors make up 20% of the industry's total revenue.

37 eCompanyStore Inc. (35) (asi/185782)

Maintaining a recent trend, this Alpharetta, GA-based provider of online corporate stores and promotional sales strategies has proven its worth to some of the world's best-known brands, including Office Max, Xerox and AIG. Sales last year topped \$34 million, a 5% increase over 2005.

*** 2006 results:** Craig Callaway, chief executive officer, credits the firm's growth to the expansion of custom order and importing capabilities, as well as the addition of several new *Fortune 1000* clients.

*** New in 2006:** "We enjoyed several, very

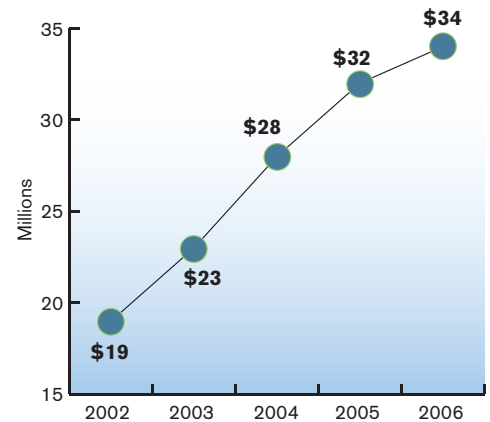
large custom orders, grew our core online business and won a few significant new accounts," Callaway says.

*** Personnel shifts:** "Same great people, just a little more gray hair."

*** Top challenges:** "The challenges continue to be maintaining product gross margins, finding new sales talent to keep up with our growth and discerning the best investments for our future," Callaway says.

*** Outlook for 2007:** Callaway reports company sales were up 25% over 2006 for the first four months of 2007.

*** What the industry doesn't know:** "We are not Internet geeks," Callaway insists,



"but people who love to delight our customers with creative stuff."

38 Gateway/CDI (40) (asi/202515)

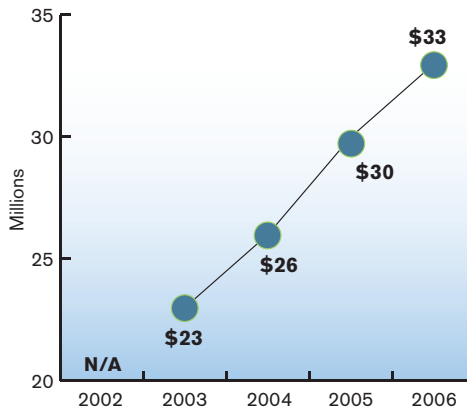
This distributor of promotional products for corporate events, marketing campaigns and incentive programs has been working on providing new distribution options for customers in order to keep sales moving in their current direction: up 12% between 2005 and 2006.

*** 2006 results:** Chuck Fandos, president, attributes sales growth to new fulfillment/company store accounts, growth in existing client accounts and special orders, and the hiring of new salespeople.

*** New in 2006:** Gateway/CDI is putting a new emphasis on dropships, or special orders, including quick-turnaround special orders for corporate special events. The effort called for a revamped business model designed by the Facilis Group, another St. Louis firm.

*** Top challenges:** "Finding and training new people as we continue to grow," Fandos says.

*** Outlook for 2007:** Sales are healthy, up



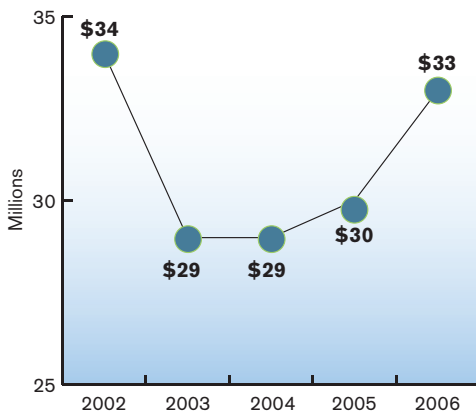
25% in the first quarter of 2007.

*** What the industry doesn't know:** According to Fandos, the company has an unofficial motto. "We kind of joke that our motto is 'We climb a mountain, every day, that doesn't have a top.' In other words, in working to provide better services for customers, the effort does not end."

39 Goldman Promotions (39) (asi/209700)

Goldman Promotions continued to grow in 2006, capitalizing on a new facility (opened December 2005). The company's sales were up 11% over 2005 totals.

*** 2006 results:** Ken Goldman, chairman, credits solid recruiting of experienced account managers with much of the company's recent sales success. "We've strengthened our account manager support services, which has helped quite a few of our top producers have their best sales year ever," he says.



*** New in 2006:** Goldman expanded its licensing activity to include the collegiate market, fraternities and specific customer licenses, and expanded its in-house Web development and graphic arts capabilities.

*** Personnel shifts:** The company has increased the size of its sales management team by promoting from within, a policy the chairman believes inspires regional managers to become more entrepreneurial.

*** Top challenges:** "The challenges ahead include keeping our focus on account manager support," Goldman says. "Our goal is to offer the highest quality of support in the country."

*** Outlook for 2007:** Four months into 2007, the company was on pace to match its recent double-digit growth margins, Goldman says. Gross profit margins are also trending steadily upward.

*** What the industry doesn't know:** Proving the not-so-old adage, "if you build it, they will come," Goldman moved into its new headquarters with 20 empty desks reserved for 20 future support staff. As of now, "all of those desks are filled," Goldman says.

40 Caliendo-Savio Enterprises (34) (asi/155807)

Caliendo-Savio Enterprises looks to big names when it comes to companies it tries to emulate: "It would be Nordstrom's, Four Seasons and Ritz-Carlton – we really try to deliver that level of service," says Mark Ziskind, COO.

*** 2006 results:** Sales were up slightly last year, from \$32.5 in 2005 to \$32.8 in 2006. Ziskind attributes the increase to four things: the company's commitment to service, creativity, a new in-house awards division and new business.

*** New in 2006:** CSE instituted a mistake prevention incentive program where the employees are able to split what's left after penalties for mistakes are deducted from a \$50,000 pool per quarter. The cost of the mistake is deducted directly from the fund if it's caught while still in-house; if the incorrect product gets into a client's hands, the deduction from the fund is doubled. Since the plan was implemented, CSE has seen a 58% reduction of mistakes.

*** Top challenges:** Like many growing companies, the biggest challenge for CSE is finding good salespeople. In addition, the company has been working to build its offshore network.

*** Outlook for 2007:** Sales are up 24% year-to-date, Ziskind says.

*** What the industry doesn't know:** Not only does CSE provide traditional distributor services, but it also sells uniforms and awards and has in-house embroidery, digitizing, and laser-engraving.

