

Q&A

PHILIP KOOSÉD, BAMKO (asi/131431)

Conversations with the most interesting people in promo

INTERVIEWED BY DAVE VAGNONI

**Q: How did you get into the promo products industry?**

**A:** I started out selling T-shirts in college as a way to make some money. During spring break one year, when the rest of our friends were in Cabo, my business partner and I decided to head to the ASI Show and see what this whole promo industry thing was about. We were shocked at what we found – this was a massive industry that was ripe for disruption. I was a corporate finance major and I remember going home and telling my parents that instead of going into investment banking, I was going to make a career out of selling pens. From there, we just kept grinding away and turning left every time we saw the industry turn right.

**Q: What's BAMKO's strategy in the promo market?**

**A:** We're trying to solve business challenges by understanding the target audience and giving our customers tools to drive that audience to action. We're big believers that product itself is just a means to an end. Putting your logo on a crummy product might generate brand impressions, but the quality of those impressions matters. Product should reflect the brand and it should excite the brand's audience. A quality product that resonates with the recipient will be used for longer, driving down CPM and increasing ROI.

**Q: It sounds like you're saying end-user demographics matter quite a bit, right?**

**A:** Absolutely. Is our client selling a service to millennials in coastal cities or products to septuagenarians in the Midwest? We want to provide our customers with products that



“WE AREN'T THE GUYS LOOKING TO GOBBLE UP 10 COMPANIES IN A YEAR, STRIP THEM DOWN AND BRING OUR PEOPLE IN.”

elevate their brand and speak to their specific audience. Our biggest opportunity is not taking business away from our competitors – it's convincing our customers to shift more of their ad budget to our world. There's over \$100 billion in TV/radio/print/billboard spend that is completely up for grabs. That's how we turn our \$20 billion industry into a \$50 billion industry.

**Q: What are some specific areas that BAMKO is focusing on for growth?**

**A:** The primary area is on the organic side. The great thing about our industry is that there's really no limit on the industries we can work with. Our growth goals are really focused on relationships, not numbers. We want to strengthen our existing customer relationships and work with companies whose values align with ours. The second area of growth for us is through acquisition. We're on a quest to find amazing companies to partner with. For us to thrive in the coming years and battle the value proposition of Amazon, we need to add capabilities and leadership to our business.

**Q: Why did BAMKO acquire Tangerine Promotions?**

**A:** First and foremost, we saw a great match in terms of their culture and the inspiring leadership of Steve Friedman and Adam Rosenbaum. Tangerine is an amazing place to work. They have happy, talented employees of extraordinary character. They also have a strong management team that wants to be there for the long run. Add in their best-in-class expertise in the POP/POS space and we saw an opportunity to become a better company with better capabilities overnight. Most of our competitors only focus on cash flow when they acquire. We focus on what we call the three Cs: culture, capabilities and cash flow. It's rare to find companies that have all three, so when we find ones that do, as in the case of Tangerine, we jump at the opportunity.

**Q: What kind of company might BAMKO acquire next?**

**A:** We're very openly in an acquisitive mindset, but are extremely discerning about fit. We aren't the guys looking to gobble up 10 companies in a year, strip them down and bring our people in. BAMKO is very fortunate to have some really unique strengths. In terms of technology, international sourcing, POP/POS, apparel, warehousing/fulfillment and international presence, we're among the very best in the industry. We want to buy great companies that can capitalize on these strengths. We're not looking for fixer-uppers.

**Q: What would you change about the promo industry?**

**A:** I love the promo industry. If I could change one thing, it would be its resistance to change. People are terrified of the change that's coming with Amazon, on-demand print and the rest of the tech advancements that will fundamentally change our industry. I hear people say,



Koosed and his wife Tamar founded nonprofit Save the Syrian Children in 2016.

“There’s no way that Amazon can affect us. We’re in a people business.” We’re starting to sound eerily similar to record execs who said people want to own physical CDs, or publishers who were convinced that people would never betray their ritual of getting their news from a newspaper.

**Q: So how then should industry people react?**

**A:** Well, the denial of reality won’t keep the world from changing around us. How we react to that change will define our destiny. At BAMKO, we have a mission to constantly change and it’s been the biggest key to our success. As an example, we decided to start our own programming team in India 15 years ago. Today, we have nearly 100 of our own employees in our India office working on incredible things like new technology platforms for our business. I truly hope our industry stops the fear and denial pattern and embraces change for the opportunity it represents.

**Q: What role do you personally want to play in this market going forward?**

**A:** I grew up playing sports, and there’s nothing more gratifying to me than being a part of a team. Working toward a common goal with talented, hardworking folks is what life is all about. I want to do the same thing in both BAMKO and our industry. I want to be both a great leader and a great follower – there’s a time and place for both. The more we can all collaborate and help lead the industry in that direction, the better.

**Q: What’s your take on supplier rebates?**

**A:** I empathize with suppliers. Our customers are asking for rebates all the time, so we’re all in the same boat here. There are some distributors whose business models are dependent on squeezing suppliers for rebates. In my eyes, that’s a failure to develop a sufficient or sustainable business model. If the only way we can make money is by beating up on our partners, we need to build a better business.

**Q: What’s your top company goal in the next 12 months?**

**A:** We’re laser-focused on two goals: 1) Strengthening our customer relationships and value proposition to clients in order to continue experiencing organic growth. 2) Through acquisition, partnering with the best companies out there to enhance our capabilities and build the dream team of entrepreneurs in our industry.

**Q: What’s your top personal goal?**

**A:** This one involves a nonprofit I started with my wife Tamar in 2016 called Save the Syrian Children. We’ve been working to get desperately needed medical supplies to war-torn regions of Syria. We don’t have a personal connection to the region, but we feel that we have a moral obligation to help save the lives of innocent children who are needlessly dying in this conflict. Over the last 12 months, we’ve been able to deliver over 200,000 pounds of life-saving medical supplies. This year, I want that number to reach 500,000 pounds. We’ve developed the infrastructure and supply chain. We just need the support and I need to work harder.