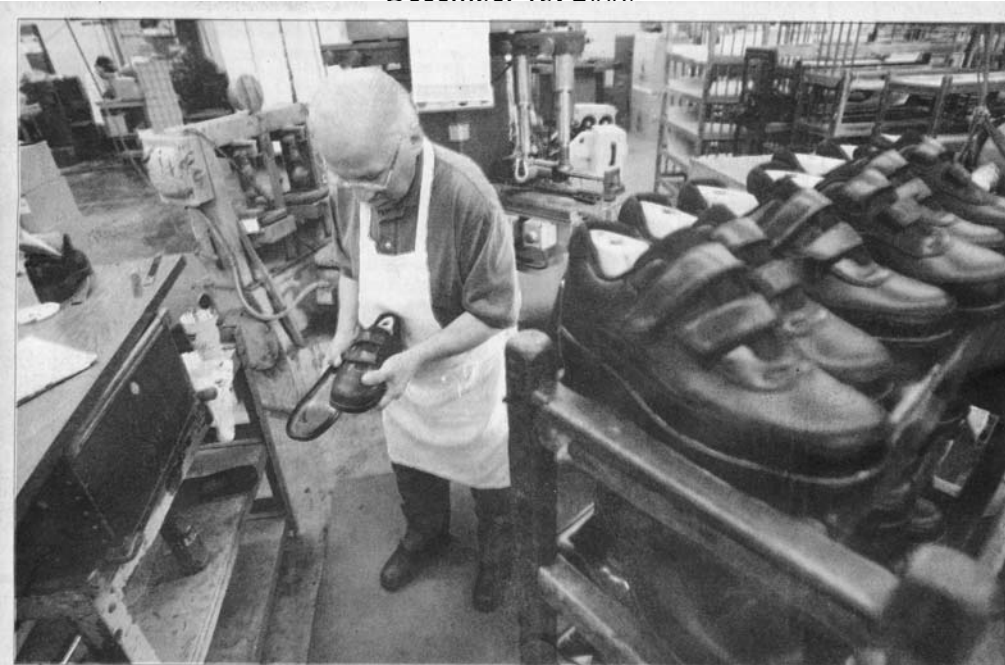


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Joe Barazza, above, works on orthopedic shoes at Aetrex's headquarters in Teaneck. Aetrex, the world's largest seller of custom shoe inserts, is a privately owned business run by Richard Schwartz, below left, and his two sons, Larry and Evan.

PHOTOS BY MITSU YASUNAWA/THE STAR-LEDGER

Chicken soup for the sole

Teaneck-based Aetrex stands out in growing comfort shoe market

BY GEORGE E. JORDAN
STAR-LEDGER STAFF

When you meet Larry Schwartz, he doesn't look you in the eye. That's because he's too busy checking out your shoes.

He can tell in an instant if you're among the seven out of 10 people who wear shoes that are too tight. He can tell by the signs of wear on the upper whether you have an abnormal instep.

"This type of shoe is for people with sick feet," he said of a pair of clunky oxfords.

Schwartz' obsession with shoes helps explain why his family's New Jersey-based shoe company, Aetrex, has seen sales grow tenfold during the past decade, to about \$50 million last year.

Aetrex has quickly become a leader in the so-called comfort shoe market, carving out a lucrative niche selling weekend-warrior athletes comfortable hiking shoes, running shoes, cross-training sneakers, sandals and casual footwear. Now, the company is rushing to offer men and women products that put as much emphasis on style as they do on comfort.

"We're taking the same comfort and orthopedic qualities to the general public and converting them to general consumer products," Schwartz said during a recent interview at the company's headquarters in Teaneck.

Along the way, Aetrex has managed to generate buzz. The [See AETREX, Page 33]



Aetrex

Business: Maker of orthotics and orthopedic and comfort shoes

Founded: 1946

Headquarters: Teaneck

Management: Richard Schwartz and sons, Evan and Larry

Annual sales: \$50 million*

Employees: 180

Shipments: 1 million orthotics and 700,000 pairs of shoes annually

Manufacturing lines: China, Dominican Republic and Teaneck

Innovation: iStep, computer-aided foot biometrics kiosk

Celebrity spokesman: Retired Giants quarterback Phil Simms

Notable clients: New York Yankees and University of Southern California football team

*Privately held company's 2006 estimate

Source: Aetrex

AETREX

CONTINUED FROM PAGE 31

Chicken soup for the sole

company's chief spokesman is former Giants quarterback Phil Simms, and its client list includes members of the New York Yankees.

CORE PRODUCTS

Aetrex's core business is ready-made orthotics that fit into the bottom of shoes to help support and align the feet and alleviate pressure or pain.

The privately held company says it sells about 1 million pairs of over-the-counter inserts annually, as well as 700,000 pairs of shoes.

"Your feet change over time, just like every part of your body," said John Anderson, a Michigan State University Medical School professor of surgery. "For the majority of people, an off-the-shelf orthotic is exactly what they should start with. . . . Everybody does not need a \$300 custom orthotic."

Aetrex has driven sales with the iStep, a computerized kiosk leased or sold to 4,500 stores worldwide. The device accurately measures feet and determines one's foot type and pressure points. It then recommends footwear and the appropriate orthotic insert.

The company recently built a classroom at its headquarters, where a team of six software engineers offer iStep training to sales representatives from shoe stores across the country.

"For me, it really works," said Chris Bentvelzen, owner of the 12-store Shoes-n-Fee chain headquartered in Bellevue, Wash. "If you put them (customers) on the machine, it shows the pressure points on their feet and shows them you have knowledge. It gets them to slow down and sit down in your store."

Bentvelzen said Aetrex's products — shoes priced under \$200 and orthotics for as little as \$15 — occupy the middle and low price points in the comfort-shoe market.

"The key to what the Schwartzes do is they are producing orthopedic comfort shoes, but they're stylish," he said. "So the people with orthopedic problems don't have to wear the typically big, blah shoes."

COMMON PROBLEMS

The mechanics of abnormal feet are easy to understand, according to Anderson.

Take a step and the foot typically hits the ground heel first and rolls toward the toes, flattening the arch slightly, Anderson explained. When you push off the ball of your foot, the arch is supposed to spring back and not touch the ground, he said.

If the foot rolls too much toward the inside, it's called over-pronation, which can lead to arch strain and pain in the knee. If the foot rolls too much to the outside, it's called under-pronation, which makes the ankle susceptible to sprains and stress fractures.

The American Orthopedic Foot & Ankle Society estimates seven of 10 people wear shoes that are too small for them, contributing to bunions, corns and other foot problems.

A FAMILY FIRM

Aetrex was founded 61 years ago by Schwartz's grandfather, Paul, who worked for many years in a Manhattan shoe store making orthotic inserts. He later went into business on his own and trained his son, Richard Schwartz, Aetrex's chairman. Richard Schwartz, 67, and his sons — Larry, 40, and Evan, 35 — run the operation day to day.

The business set the stage for growth in 1971, when it began marketing a "Diabetic's shoe" lined with a type of foam designed to limit pressures that can lead to ulcers. Sales really took off in the 1990s, and today the company has 180 employees.

While the lion's share of its products are imported from China and the Dominican Republic, a small team of shoemakers produces 75,000 pair of orthopedic shoes in a warehouse off Route 4 in Teaneck.

"We're proud of the fact we've continued to make shoes," Richard Schwartz said during a tour of the shoe-making area, where the odor of glue hangs in the air.

"We have of great tradition and a team that's been with us 30 years. There's a great history," he said. "First my father, my great uncle, me and now my boys."

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