



Ken Baur



Marc Bluestone



Steve Dodd



Randy Nipper



Jim Parrie



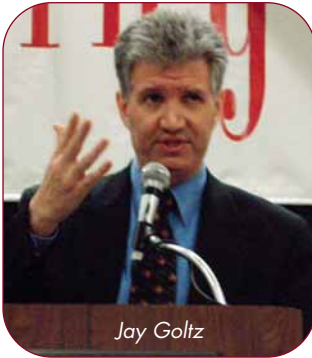
Robert Sher

# Successful Retailing: The Battle for Market Share

## Part Three: Say the Magic Word

### Question:

**"If you could sum up the key to frame shop success in today's market in one word, what would that be?"**



Jay Goltz

This is the third in a series of articles transcribed from the National Conference Annual Business Breakfast Panel at the 2004 West Coast Art & Frame Show in Las Vegas. Look for additional discussions from the event in the next few issues of PFM.

#### MODERATOR

**Jay Goltz**

president and founder of Goltz Group, Inc.

#### PANELISTS:

**Ken Baur:**

president of Framing Concepts

**Marc Bluestone:**

president and owner of FrameGroup, Inc.

**Steve Dodd:**

president of Northwest Framing

**Randy Nipper:**

senior vice president of sales at Crescent

**Jim Parrie:**

owner of Millennial Technologies & Consulting International

**Robert Sher:**

president of Bentley Publishing Group

**Robert Sher:** I would say that it's salesmanship. Do you have the ability to quickly size up what each of your customers wants, how much they're willing to pay, and what their needs are? If you and your staff are trained to understand what customers want so they can get exactly what they want quickly, you're going to do the best that you possibly can with a customer.

**Jim Parrie:** My word to framers would be technology. OEMs are using computerized mat cutters and point-of-sale software, and they know their numbers inside and out. They're not on a mission to crush every framer in the world. [But] it's about business, and they know their business numbers because they have the technology. If you leave this show without point-of-sale software, you're slowly dying. If you leave this

show without a computerized mat cutter, you're slowly dying. You can get a CMC and POS software for \$11 a day. Is your future, your retirement, or your home worth \$11 a day? The reason the OEMs' quality is often as good as yours is that they are using technology to automate to become more profitable. My hope is that we start running our frame shops like businesses and not like we're running it out of our garages.



*The panel discussion, which occurred at the 2004 West Coast Art & Frame Show, was attended by more than 300 industry members.*

**Ken Baur:** For me, the word would be service. I see service as a way to angle around the competition. Even in my own market, where no one competes directly with the angle I've taken, service has opened a tremendous number of doors. By service, I mean providing the basics, such as delivery, installation, art research and procurement, and on-site consultation. These are things no one else around us is really willing to do. These things chew up a lot of our evenings and take a lot of travel time. But they've made a big difference to my little business. There's literally never been a time when I've been installing something or consulting in a home that it hasn't opened the doors to two or three other projects, or to the neighbor next door. Sometimes, it just provides the opportunity to drive a van into a neighborhood with my name on it, so that people start asking questions. Being able to offer that kind of service takes extra effort, but it allows you to offer something most big boxes cannot offer.

**Randy Nipper:** When you look at all the pressures out there, most of them are out of your control. OEMs are going to continue to expand, the big boxes are going to expand, and the chains are not going away. You also have international business conditions that are adding to market pressure for all of us. And then there are major uncontrollables like the economy, consumer preferences, and the weather. Therefore, the one word I would use to sum up the key to a frame shop's success is "basics."

By this, I mean the basics of running your business. You should ask yourself, "What are the basics I need to compete as a retailer?" As a framer, you certainly need craftsmanship and design talents. But as a retailer, the basics mean more.

Do you have good financial control? Do you have good inventory management? Are you managing your people well? Are you maximizing the productivity of your staff? Is your store clean and well merchandised? All of those "basics" are happening at the chains and big boxes, and on the OEM level. The basics of good business practices are extremely important. Start there, and a lot of

other things will fall into place.

**Steve Dodd:** My word would be design. And I don't mean over designing or being so fancy that it blows every customer away each time. I think good design is about creating unique finished products that complement the artwork. But even more, it's listening to your customers and finding out their needs and their environment. We're a custom business. When a customer brings in a wonderful piece of art, do you ask, "What did you have in mind?" Or worse, "I know something that would look perfect on that." If you ask those questions to start the design process, then you haven't taken the time to find out what your customers' needs are, where they're going to use the piece, or how important it is to them.

Through design, you can really make an impact on the value a customer sees in your product. We've found through customer studies that people don't mind spending \$350 if the framing is designed well for what they want. But they also hate spending \$150 if it doesn't fit their taste or needs. Most of us in this room tend to understand how to select mouldings and matboards and keep up on color and product trends. But it is most important to take the "process of design" seriously and make sure you are asking great questions to find out your customers needs before you start selecting products.

**Marc Bluestone:** I'm going to choose marketing as my word. I agree with all the other words, but I think you have to add them all together to be successful. There are a lot of challenges out there. Those challenges could be the big box stores. They could be another custom framer in town. They could even be any business where people spend their money instead of with you. We need to do a

better job of advertising, of going out into the community and making our pitch—our value proposition. We need to explain to people why they should like custom framing, what it does for them in their homes, and why we are the store they should choose. When I say value, I'm not talking about price position, I'm talking about a value proposition. What's the overall package we can offer that will make us people's choice?

But advertising isn't the whole thing to marketing. For marketing we need to go to our repeat customers; we have to connect better with people who have done business with us before. We also need to go out and ask for new business from new customers. We can go to people who are in new homes. We can go to their businesses, to their legal offices, to their medical offices, to hospitals, to car dealers. We can go and ask for business. And no big box or big company can do that. We can go out on a local, one-on-one basis and ask for business. Another part of marketing is public relations. We can get together with

local newspapers or television stations and get them to tell stories about how people can make their homes more special and more beautiful with custom framing. We can tie that into our stores and why people should consider custom framing and art as a way to make their lives and their homes more special.

I would add that I have two other words. The first is fear. We should all have a little bit of fear, because the reality is that not everyone in this room today is going to be in business a year from now. The other word is control. And that means do we have control over our own businesses, over what we do—on how we market, on how we do the basics, on how we do service? If we exercise that control aggressively, then we can have happy endings. ■

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*Next Issue: Questions from the Attendees*