

BENEFIT VS. COST

in Preservation Framing

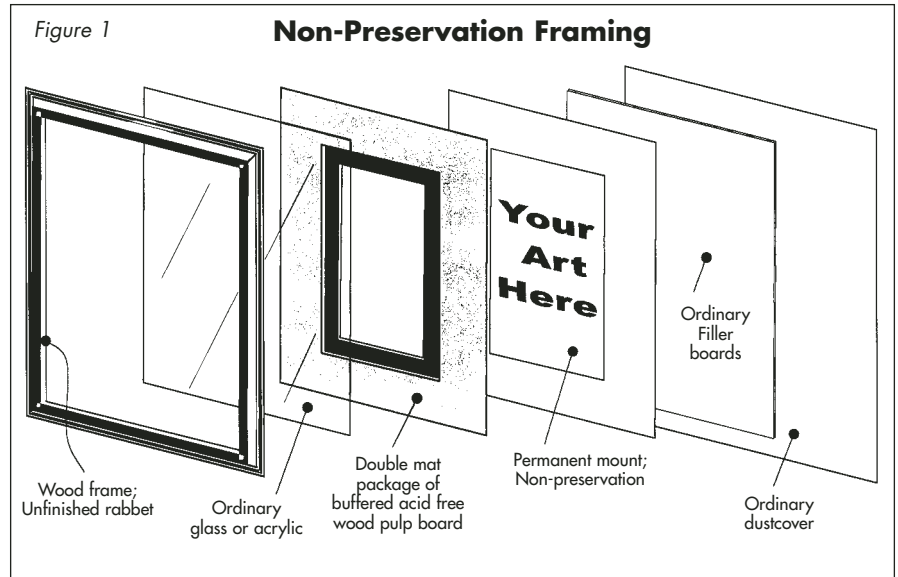
by James Miller, CPF

Sometimes preservation is an important issue in frame design, and other times it's not so important. But either way, when talk of preservation framing comes up at the design table, customers might quickly say they don't want to pay for extras. However, customers might reconsider once they understand the benefits that they will receive.

Likewise, we framers need to understand the benefits that should come to us with the added cost of selling preservation framing features. And when customers decide in favor of preservation, we need to make sure we receive benefit beyond cost—in a word, profit. What do preservation framing features really cost us? How much more should we charge for them?

Let's examine a hypothetical framing project. Imagine your customer brings in a cheaply printed 16"x20" promotional poster that advertises a specific event. The customer attended the event, and managed to get the poster signed by a celebrity. While it may not be worth much to some people, this wrinkled and stained poster has two kinds of value: sentimental value to our customer as a memento of the big event; and monetary value because the autograph on it is known to be collectible.

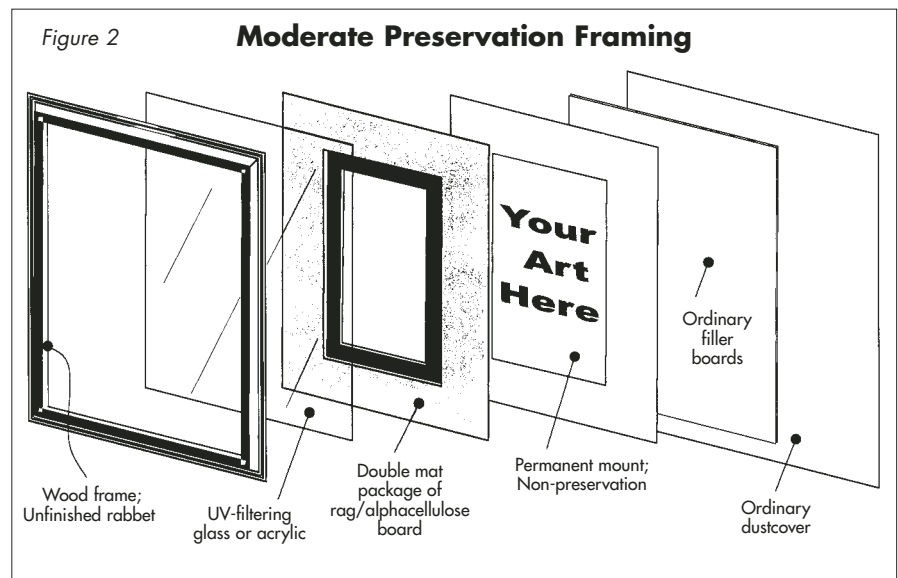
Is it worthy of preservation framing? That's ultimately the decision of our customer. But keep in



mind that she probably hasn't thought about the question before, and may not be equipped to make an informed decision. We should encourage her to consider how important that poster is. We should explain the forces that could damage or destroy her poster, and how to avoid them; not only with preservation features, but also with her careful handling, display, and main-

tenance. We should give her all the information we can, and answer her questions impartially. Then she can make informed decisions about the preservation features we recommend to best suit her needs.

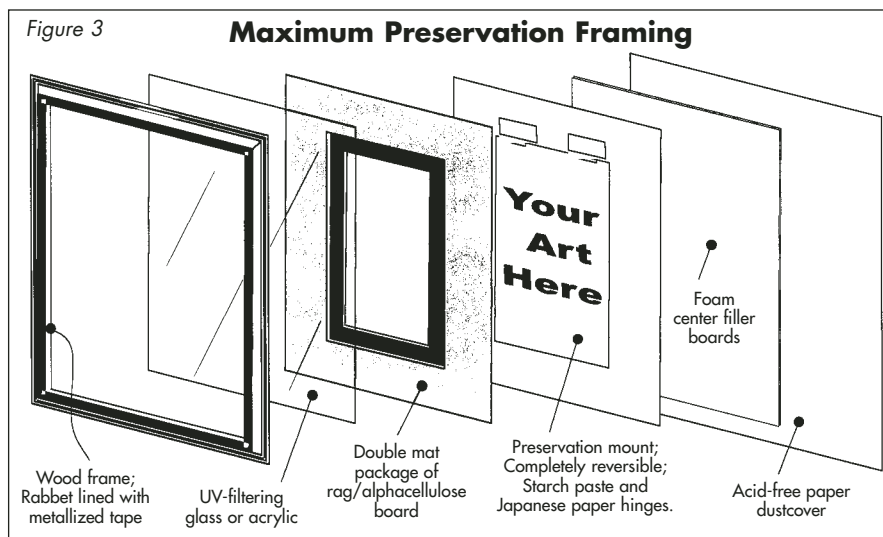
The benefits and costs of preservation framing aren't always easy to quantify. In conversation about her poster and its framing, our customer gains knowledge and



understanding—a valuable benefit she might use many times over. From our side of the table, the extra time we spend with her in the design process has a cost, and the benefit to us may be a larger, more profitable order. Each of us must determine what our extra investment of customer education, goodwill, and design time is worth, in terms of both cost and price.

After we have addressed all of our customer's concerns, we ask: "Would you like to include the preservation framing features we've discussed?" Here are three possible replies from your customer, and the reasoning that may precipitate them:

- 1) "No" This will always be a cheap poster, which will probably deteriorate. It's already damaged, and the customer decides it has no long-term value to her or anyone



else. Preservation is therefore not an issue, so the price of preservation features would be wasted.

- 2) "Maybe" The poster may have no monetary value, but the autograph does. Also, the customer simply likes it. Let's include a moderate level of preservation to extend its life and give some pro-

tection from the most common hazards.

- 3) "Yes" The autograph on the poster is known to be collectible and may increase in value. Also, the customer wants this poster to last since it has high sentimental value. To preserve the autograph and protect it as much as possible from hazards,

the poster's framing should then include maximum preservation.

Following are frame designs that correspond to each of those answers. Each business is different so these please note that your costs and prices will vary from these figures, which are for comparison only. We have to determine prices and profits for ourselves.

The examples here are simplified and hypothetical, but consistent and accurate for showing benefit versus cost comparisons. Costs used are those commonly available to small frame shops; no quantity discounts were factored in. Calculations include only materials and estimated labor; no markup, delivery, administration, or other variable cost factors. Factor in your own circumstances and numbers for specific results.

1) Non-Preservation: (see Figure 1). Regular, buffered, acid-free double mat package with an opening of 15½" x 19½" and mat margins total ¾" all around; regular glass; vacuum wet mount (or dry mount) to standard foam board; deluxe fitting with Kraft paper dustcover, wire and bumpers. Frame size 22½" x 26½", using 2" wide wood moulding (\$4.69/foot cost).

Retail price: \$223.75

Material cost: \$63.96

Labor cost: \$72.50

Total cost: \$136.46

Gross profit: \$87.29 or 39%

2) Moderate Preservation:

(See Figure 2). Same as above, except with preservation-quality, double mat package of rag/alpha-cellulose board; and UV-filtering glass instead of regular glass.

Retail price: \$249.94

Material cost: \$74.46

Labor cost: \$72.50

Total cost: \$146.96

Gross profit: \$102.98 or 41.2%

3) Maximum Preservation:

(See Figure 3). Same as the Moderate, except with preservation hinge mounting; and preservation fitting, including sealed rabbet and acid-free dustcover.

Retail price: \$267.68

Material cost: \$79.67

Labor cost: \$77.50

Total cost: \$157.17

Gross profit: \$110.51 or 41.3%

For this comparison, labor cost is based on a shop rate of \$50.00 per hour. The term "shop rate" refers to the amount of revenue that must be taken in during each hour of operation to break even. This figure takes into account all operating costs, not only payroll costs. In other words, it represents the cost-per-hour of operation before any profit is made.

Following are some calculations based on the examples above:

The *retail price* for Maximum Preservation framing is 7.1% more than the price for Moderate Preservation, and 19.6% more than the price for Non-Preservation. The Moderate Preservation price is 11.7% more than Non-Preservation.

The *cost* of Maximum Preservation framing is 6.9% more than the cost of Moderate Preservation, and 15.2% more than the cost of Non-Preservation. Moderate Preservation costs 7.7% more than Non-Preservation.

The *profit* of Maximum Preservation is 7.3% more than the profit of Moderate Preservation, and 26.6% more than the profit of Non-Preservation. Moderate Preservation is 17.9% more profitable than Non-Preservation.

Benefit versus cost comparisons may require many calculations, but

the effort may make the difference between profit and loss for framers who sell preservation features. These examples show that preservation framing can be beneficial for framers as well as for customers.

To put a fine point on it: Compared to Non-Preservation framing, Maximum Preservation framing adds 15.2% to the basic cost of materials and labor, adds 19.6% to revenue, and adds 26.6% to profit.

Preservation framing is better than ordinary framing, so it makes sense that it costs customers (and framers) more. If you offer preservation framing, it's important to do it profitably. These examples are offered to help you make your own comparisons. If you do, please let us know if preservation framing has a similar benefit versus cost for you. ■