



Goltz
by
Jay
Goltz

On Business

The 50% Off Framing Gimmick

I guess picture framing has finally joined the mainstream of regular “retail.” How do I know? The promoters have arrived. Most of you have seen it. Some large chains are offering 50% off framing. I saw another chain promising 30% off framing every day! I’ve been talking and listening to a lot of framers and have found several other daunting problems facing the independent picture framer: customers that want cheap, cheap, cheap and don’t want to pay for expertise; suppliers who have quality problems and back orders; the higher cost of health insurance. And then there’s the government! More taxes. More paperwork.

I have the solution to all of these problems. But first, let’s define the problem. The real problem is that all of these things affect the amount of money you make. The solution: I have a plan for next year and it starts right now.

First, go get a two foot piece of toilet paper and a magic marker. (Trust me. I have a degree.) Next, write four things on the toilet paper: competition, cheap customers, mediocre suppliers, and higher expenses. Leave the tissue on the table as we discuss each of these “Tissue-Issues.”

The Competition. The company who gives 30% off every day—they’re pretty much out of business. A lot of lost venture capital. Oops! The 50% off sale thing? Maybe they make money with it. Maybe they don’t. I’m not their accountant. The one thing I do know is it’s very difficult to do quality framing when you get spikes in demand like that, and it makes it very difficult (“challenging” in corporate speak) to keep good employees.

While I don’t believe this tactic is good for the profession of custom picture framing, there is an

upside. I’m sure that it has brought more people into the market that wouldn’t have necessarily thought of having something custom framed. Though I’m sure that we have all lost some business because of it, I’m also sure that we have gained some customers after their experience with that level of “expertise.” I know many framers successfully competing against the 50%-off gimmick with better quality and credibility.

Cheap Customers. I know firsthand how frustrating it is to spend a lot of time with a customer only to have them tell you that the job is too expensive. Now, if they pay the money anyway, I’m OK with that. As a matter of fact, I’m good with that. It’s when they don’t frame the picture that it becomes annoying. This is called “overhead.” It’s part of most businesses. (Have you ever test-driven a car and not bought it from the dealer?)

Mediocre Suppliers. I’ve said it before; I’ll say it again. If you are having consistent problems with a supplier, then change suppliers. To be fair and practical, I would send a letter first to the person in charge to see if they are aware of the extent of the problems. Sometimes they can “clean up their act.” Sometimes they can’t.

Higher Expenses. Costs keep going up for you—and your competitors. Charge more. How else are you supposed to cover it? Understand your costs and charge appropriately. For example, when your health insurance goes up, your hourly labor charge should go up.

It is very difficult to grow a successful business when you have to deal with these and other problems. So I’m going to give you my secret solution. Making money in business is about

making the best of limited resources. What are your most valuable resources? Your framing expertise? Your art background? Your store location? Your charming personality? No. It's *time*.

Here's the first step in moving ahead in 2001. Take that piece of toilet paper, fold it up neatly into a square, and flush it! In other words, stop complaining. Winners don't whine. The only person making a great living whining is Rodney Dangerfield.

You must focus. All these aforementioned problems are distractions. Stop worrying about your competition and make them worry about you. Keep your eye on the ball. The frame business is more like golf than basketball. It's more about perfecting your swing, and less about getting an elbow to the ribs.

Back in October I wrote about all the things you need to do to fine tune your store. You cannot simultaneously spend all your time complaining about Tissue-Issues and look for new opportunities to grow your business.

I'm sure you've heard of the poverty cycle. I've come to the conclusion that many framers are in their own poverty cycle. Let me ask: Are you going to the WCAF Show in Las Vegas in January? No? Why not?

Let me guess: You can't afford to go. But you can afford to ineffectively price things for another year; remain unaware of the newest techniques; and fail to provide your customers the best designed products. Do you know who *will* be there? Your competitors. No—let me be more specific: your most dangerous competitors, the better-educated and better-informed ones. Start the success cycle!

Many people say they want to make more money, but they are not willing to leave their comfort zone. It's not about what your competition is doing to you, it's about being a better competitor. It's about staying ahead of the curve. It's about making changes. I push myself to do it regularly, and you should, too.

For instance, when I started my business in 1978, it took all of my energy to buy, price, learn framing techniques, and service customers. I didn't have any time to keep up with the computer revolution. I did, however, go way out of my comfort zone when I computerized my entire company in 1986 because it was the way of the future. I have just recently gotten into the Internet and have participated in the various on-line bulletin boards for framers—excellent places to ask questions and get feedback from other framers.

So, here's the plan for 2001. Use the time you spent whining and worrying and replace it with education and

execution. Use your magic marker to write a new list, except instead of on toilet paper, write it on the wall. (I hope you didn't flush the marker, or you will soon find that plumbers charge more than framers.)

Computerization. If you're not running your frame shop with computers, you're missing the boat. But it's not too late. As a matter of fact, there may be benefits to having waited this long. There are new systems out there, and they have gotten more reliable. They help you keep track of customers, keep your pricing accurate, schedule orders, and give you more information to analyze.

Re-Examine What You Sell. Maybe it's time to get rid of regular mat board. (Talk about comfort zones!) It's definitely time to examine your glass options. Many people complain that chain stores are stealing some of their lower-end poster framing. Many of you have given it to them by deciding not to sell metal frames.

Think about how many corner samples you have on your walls. But don't just think about it—count them. You don't win if you have more samples than your competitors. As a matter of fact, you are probably losing. Losing buying power, wall space, and your mind trying to keep track of all of them! If you do an analysis of what you sold last year, you will probably find you didn't use most of them. You think you need those samples. Your customers don't.

Target Marketing. Spend your precious advertising dollars going after the best potential customers in your market. It is very easy to waste advertising dollars since most people have never, and will never, go into a custom frame shop. (*Here's a shameless plug:* I've developed a means of advertising in upscale magazines through *FramerSelect*—a national network of qualified independent frame stores.) Do a geographic analysis of your customers and try not to waste advertising dollars outside of this area.

Educate Yourself. Learn new conservation techniques. Go to a design seminar. Learn how to price effectively. Do everything the way you have always done it and you'll end up with the same results.

In conclusion, pick three things that you are really going to work on this year and do them. You will be surprised at how a little effort doing the right things can have an enormous impact on your profits... enough to justify a trip to Las Vegas! Stop thinking 50% off framing and start thinking 50% more profit! ■

Jay Goltz is president and founder of The Goltz Group, comprised of Artists' Frame Service, Inc., Jayson Home & Garden, and Chicago Art Source. He is the author of The Street-Smart Entrepreneur, published in 1997.