



Goltz by Jay Goltz On Business

The Ostrich Paradox

The framing industry is undergoing tremendous change. Technology has affected the way we run our stores and there has been an influx of money from the public market. And as we see new and bigger competition from chains, the framing business is starting to resemble other retail categories.

The question is: Are you part of the change, or do you have your head stuck in the sand like an ostrich? As I've said before, we are in a capitalistic business environment—eat or be eaten. Capitalism is like nature: it's as beautiful as a sunset or as ugly as a hurricane. It all depends on whether you are winning or losing.

Is your business growing along with the market, or is it being suffocated by it? This is in your control. Capitalism is generally fair. Those who improve, take the appropriate risks, and do the right thing, succeed. Those who don't, fail. Some fail quickly; some fail slowly and painfully over a number of years.

If you want to be part of this growing dynamic industry and stay in "the winning column," I suggest you make sure you have a frame shop from 2002, not 1982. Let's look at the difference.

A Computer. This is not a fad like CB radios. They're here to stay. They're also very cheap and

very effective. They maintain your mailing list, provide consistent pricing, help schedule the work, look more professional, keep your books, and more.

Are You Still Joining Frames By Hand? My underpinner can do the work of four people. There are also no nail holes and the joints are stronger.

Computerized Mat Cutter. They will not only help you cut mats faster, but they will also increase the design options you can offer to your customers. You can produce 10-opening mats, 20-opening mats, and rounded corners, for example. And how about a double mat? Once you have a CMC, you'll wonder how you ever lived without it.

Mounting Presses. Don't have a big mounting machine? It's time. As a matter of fact, it was "time" 15 years ago. But better late than never!

Moulding Selection. There are new, incredible finishes out there. I added a new upper end line, and am now selling a tremendous amount of moulding at over \$20 per foot. Do you carry a full selection of the metal mouldings? Options there have changed dramatically since I started

selling it in 1978. It used to be mainly gold, silver, and black. Now there's a bevy of colors and shapes from which to choose. There's also a new profile for photography that has a thin front, but is still easy to work with. It's an important segment of the market.

Mats. Many framers have stopped offering regular paper mats. Switching to preservation-quality mats will be better for the artwork; the bevels will not turn yellow and you will have fewer inventory problems. Eight-ply mats are hot. Hand-wrapped fabric mats have been a distinctive framing option for 20 years. Have you gotten around to offering them? They are an easy way to separate yourself from the competition.

Glass. There has been a significant number of people going to specialty glass, whether it's UV-protective or reflective control. It is no longer just "regular" or "non-glare." If you do not have a full selection to offer your customers, you are doing a disservice to both your customers and yourself. You are also going to look like a doofus if your customer goes into another frame store and they have it and you don't.

Store Design. Does your store look like a modern, well-lit retail space or an old, tired frame shop. People don't like old and tired. Pegboard is not cutting edge. When was the last time you replaced your flooring or your

sales counter? Do you have a combination of fluorescent and incandescent lighting sources? Does your storefront have a nice sign with good lighting?

Training. There have been great advances in preservation framing, stacking mouldings, memorabilia framing, and new designs. There

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are many terrific classes available that did not exist 20 years ago. If you don't go to the trade shows, you're missing out. The trade shows of today are two to three times the size that they were 20 years ago. Don't tell me you can't afford to go; you can't afford *not* to go.

Intelligent Pricing. If you're still taking your prices out of the back of a catalog or with a formula you got 20 years ago, you're probably missing the boat. I've done my

pricing seminars for two years now, and numerous people have told me that their incomes have risen dramatically because of it.

Proper pricing should reflect costs and profit margins. When was the last time you did a time study to find out if the amount of time you were spending on a project corresponded with the price you were charging for the job? I've talked to far too many framers that say they talk to other framers to find out what they are charging and then they charge less.

Stop thinking like a customer and start thinking like a business owner. You know far more about your competitors' pricing than your customer ever will. Your customer wants beautifully done framing that is completed on time in a nice environment. And they will pay for it.

Target Marketing. The home furnishings market has grown considerably in the last 20 years. Houses are bigger, incomes are higher, and more people have second homes. The Yellow Pages is no longer the Holy Grail for advertising. Let me make a suggestion. Look up your favorite clothes store, restaurant, or specialty store. Are they dependent on their Yellow Pages ad for most of their advertising budget? In many cases, they don't even have one.

Since advertising is expensive, it is critical to waste as few dollars as possible on the "shotgun" approach. Not only are there too many "Yellow Pages" books out

now, but people are using the Internet more and more. People are more influenced by branding. Your best potential customers read certain things, live in certain places, and have a certain lifestyle. Over 85% of households making over \$75,000 are using the Internet to influence their purchases. Do you have any Internet exposure?

Art. Do you show beautifully framed samples of something other than posters? There are more and more options thanks in part to giclée technology. The amount of

art that's available is almost endless. You can find something that will show off an example of beautiful framing and increase your sales potential at the same time.

To Be or Not To Be an Ostrich

If you were to make a list of what the new chain stores are doing to get more market share, it would be similar to the list I've compiled here. Voila! Did I steal the list from them? Did they steal the list from me? No. They are just good business people.

Now, back to the ostrich para-

dox. What is it? Contrary to the common belief, ostriches don't really bury their heads in the sand. Do you feel cheated? I do. Does that mean we can't use the expression anymore? As a matter of fact, ostriches are very fast, exceptionally resilient and extremely resourceful. In fact, they are the second fastest animal in the world, running at speeds of 40 miles per hour. (See www.ostrichonline.com for more facts.) So let's all be ostriches! ■