



# Goltz by Jay Goltz On Business

## *Am I Too Late For The New Millennium?*

Every year, there seems to be something that captures the imagination of the media. In 1999, the new millennium hype was unbelievable; but now that's over. The year 2000 brought Internet Mania. The phenomenon was mind-boggling, but now that's over, too. (Mind you, the Internet's not over. In fact, it's just picking up steam.)

This year, all you hear about is the economy. Since we're now about halfway through the year, the question is, "What's going to be the story next year?" And here's an even better question, "How can we use it to help grow our business?"

Since I started my business in 1978, I've lived through about four or five "business cycles." I've never let them distract me. Maybe if I was in the construction or petroleum business they would have been more debilitating, but picture framing is not as vulnerable. So, where does the whole framing industry stand? Now is a good time to take a snapshot of our industry to see where we are going. The economy will catch up later. Right now, it's only a distraction.

The industry has gone through some dramatic changes over the last 30 years. The mouldings that are now available in the marketplace are far more exciting than they have ever been. There's new finishes, new styles, new designs. Matboard is now available in 8-ply, different finishes, bigger sizes. We have pre-cut mat designs, a larger selection of fillets, and more preservation choices. Glass now comes in a wide variety of types—it wasn't too long ago when it was just "regular" or a not-very-good non-glare.

From small, scattered, regional trade shows, the industry has established magnificent shows in places such as Atlanta, Las Vegas, and New York with everything the industry has to offer. We have many more choices in education.

Machinery has also taken a big leap forward. The computerized mat cutters are breathtaking. Using a computerized, automated joining machine is a pleasure (and results in a better looking frame). There are also computer software systems that not only make life easier, but more accurate. This isn't your father's frame business—unless it *is*, of course. More importantly, this isn't what your customers' parents purchased when they went into a frame shop. The biggest difference is that many customers' parents didn't even go into a frame shop.

The nature of framing has changed along with what people hang on their walls. The major transformation started with posters and has evolved along with limited edition prints, large format photography, giclées, and computer graphics. Add to that the fact that people are traveling more than ever, bringing back both art and artifacts. Memorabilia framing has become more and more popular as people look for ways to personalize their homes. While the percentage of the general population going into frame shops is still low, it is growing steadily.

I'll tell you what is growing even more steadily—wealth in America. Even though people are complaining about their portfolios taking a drop, the point is that they have a portfolio. Many of their parents didn't! The growing afflu-

ence in this country is apparent everywhere: more people drive expensive cars, own bigger homes, wear more designer clothing, and travel extensively. In the big picture (no pun intended), framing is on the upswing. Notwithstanding some temporary slowdowns, it is a growing, thriving industry.

The key to growing your business starts with realizing that business is like a three-legged stool. The legs: management, marketing, and finance. The secret is making sure you know which is the shortest leg. Just like on a stool, if one of the legs is short, you fall on your butt. And who wants to do that?

What is the shortest leg of your business? At which of the three disciplines do you feel you are the least proficient? If it's all three, you need to raise them all—incrementally. If you are not good at the marketing, you probably don't have enough business to have "excess" employees to manage. On the other hand, if you're not very good at the finance side, you do not have enough money to spend on marketing.

If you really want to make money, change something. Change a few things. One thing will lead to another. The first step is to get mentally prepared for the fact that with change comes pain and risk. If you aren't prepared to do this, maybe growing is not for you.

*Marketing:* Is your biggest problem that you don't have enough business? Look for some competitive advantages. Is your store appealing? Do you have beautifully framed pictures on the wall? Do you have a nice selection of

mouldings? Are your salespeople (or you) good at showing better framing and inspiring people to spend more?

Have you ever spent the time to strategically advertise? Does your entire ad budget consist of the yellow pages? If you were a plumber or insurance agency, that would make sense since that is how customers find you. But the fact is that many people that get your yellow pages ad are not in your vicinity; therefore, it's not targeted.

Have you taken a more targeted approach, trying to reach the better customers? Are you completely ignoring the Internet? Granted, it is no panacea, but it is competitive with the yellow pages. What I can be sure of is this: If you haven't changed your marketing strategy in years, you are missing the boat.

*Management:* Do you really like everyone that works for you? If you work by yourself, I hope you do! If you have constant aggravation from your staff, you are either hiring and keeping the wrong people, or maybe you are irritating them—in ways that a good boss shouldn't. Read a management book. Go to classes. Do some soul searching.

*Finance:* Do you have a budget for the year that will provide you with a good profit? Do you have an intelligent pricing strategy that will keep your cost of labor in line? I have found that some really good framers hate this kind of stuff. Being good at framing will not fix this stuff. Remember, it's a three-legged stool.

Being a really good framer is simply not enough to grow your business. It's there if you want it—but you have to *really* want it. ■