



**Goltz** by  
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Goltz

# On Business

## *Survivor: Can You Last?*

It seems the whole country has been swept up in this “Survivor” television show, which has exposed the brutalities of society and competition. But while most people were glued to their television sets, many framers were in their shops gluing corners together trying to survive today’s new economy. They say the only constant is change, and I doubt that has ever been more true than it is today.

Look at the industrial revolution and the changes that happened over a 20-year period.

Now changes occur over 20 *months*.

Computerization, chain stores, new suppliers in business, old suppliers going bankrupt, tight labor markets, the Internet, rising rents, better educated and demanding customers, frivolous employee

lawsuits, and new automated machinery; all present new problems—or should I say “challenges”—that require new skills.

On the other hand, they also present new opportunities. We are not living in a static environment. You could choose to put your head in the sand and avoid these issues, but believe me, they won’t avoid you!

If you are in business for yourself, you are a

participant in capitalism, like it or not. Capitalism is like nature. It can be as beautiful as a sunset over Maui or be as ugly as a raging hurricane.

Stop looking at the little picture (like the one you are probably double-matting right now) and look at the bigger picture. Big companies call it a strategy meeting. They go on week-long retreats to figure out where they are going. Where are you going? Are you happy? Are you making money? More importantly, are you making as much money as you can make?

We are not the first or only industry to go through tremendous change. I grew up working at my father’s five and dime store in Chicago. Do you even know what that is? It had the creaky wood floor, the tin ceiling, and, until 1994, it was the second oldest of its kind in Chicago. Now it’s a beauty salon. In 1990, there were 37,151 drugstores. In 1999, there were only 25,602.

Is the independent custom framer in for the same fate? Some are. Due to the custom nature of the framer, I don’t think the drop off will be as profound as the drugstore’s, but there is a culling out going on in the industry. The weak will fail; the strong will prosper. Decisions you make today—or don’t make—will have a lot to do with what side you end up on.

Change is painful. Change requires some risk. Change requires doing something! Are you ready? If you want to make things happen instead of having them happen to you, make a strategic plan. Here’s an outline to get you started.

*They say the only constant is change, and I doubt that has ever been more true than it is today.*

*Business Fundamentals.* You can no longer afford to say, “Oh, I’m not a good business person. I just like framing.” Business education can be broken into three areas: Management, Marketing, and Finances. Buy my book. Buy someone else’s book. Go to a class. Hire a consultant. Hone your business skills. Go through the *PFM* archives for past business articles. Understand and conquer hiring, pricing, basic management, budgets, and the like.

*Look At Your Accounting Needs.* I must confess. I have an accounting degree. I’m trying to get it expunged from my record, but it’s not easy. I even think like an accountant sometimes.

Let me give you a clue. When I started my business by myself, having the degree did not help. I learned very little practical information over those four years of schooling. You are not at a big disadvantage if you don’t have an accounting background. As I have grown my business to over 100 employees, I have had to continually learn.

Even if you are a one-person shop, you need to understand basic accounting. This includes the cost of goods sold, labor percentages, and overhead costs. A good accountant should be able to help and explain these things to you. Beware: this is not a tax preparer. I can’t emphasize enough that you need a good accountant—not a mediocre accountant. They need to have experience with helping small businesses. I am certain that over half of you have the wrong accountant.

Talk to other small business owners. Go to the local university. If you don’t have a handle on your accounting, you are in the dark. Turn the light on. A key question to ask prospective accountants is, “What key operational issues can you help me with?” The answer should include budgets, pricing, and analysis.

*Trade Shows.* I’ve been told it is estimated that 15% of framers go to trade shows. That’s hard to believe. Not that the 15% figure is high—I can’t believe that *more* people don’t go! Can’t afford it? Too busy? I would argue you can’t afford *not* to go. If it doesn’t pay for itself ten times over, you must have been drunk in your room the

whole time. New exciting product. Better pricing. Education. Tips picked up while talking to the guy next to you in the lunch line.

If you are too busy to go, then you don’t have a problem! You’re probably making a lot of money already, right? That’s like a lumberjack who is too busy to sharpen his ax; it just doesn’t make sense. Successful, busy people make time.

*Framing Expertise.* A lot has changed—even in the last few years. There are new products and new techniques out there for preservation framing. Picture frame design is changing—stacking frames, bigger mats, and new finishes and styles of moulding.

Then there’s glass. There are so many types of glass: conservation glass, anti-reflective glass, conservation anti-reflective glass. The list goes on and on. If you haven’t tried some of these things, you are not staying current. You’re cheating your customers *and* yourself.

*Equipment.* There have been many breakthroughs in equipment in our industry. While underpinners have been around for a while now, there are some new brands available, and the prices have gotten quite reasonable. Not only have computerized mat cutters taken the pressure off of hiring and keeping experi-

enced people, but they have made cutting intricate designs much easier. Do the math; do not assume that you cannot afford it. My green mat-cutting machine is like printing money.

Are you computerized yet? There are several good programs on the market that will help you control and grow your business. I’ll stick my neck out here; you should be computerized. Period. If you can’t deal with it or don’t want to deal with it, I’m not saying you’ll go broke. I’m say that you are just not using technology to your advantage.

*Advertising.* There’s an old adage that says the definition of insanity is doing the same thing over and over, and expecting different results. Is your advertising working? Do you know? The market is changing dramatically. People’s reading habits have changed, their television viewing habits have changed, and their use of computers certainly has changed.

*A question to ask prospective accountants: “What key operational issues can you help me with?”*

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Consider reducing your ad in the yellow pages. I did. Start getting involved in some electronic media, whether it's cable television or a website directory. Stop believing ad people. Remember, they're sales people, not advertising consultants. If you are doing coupon mailings, reconsider. Are you building up your business or destroying your price integrity?

*Determine Your Position In The Marketplace.* Are you known as the high-end framer snob—giving up lower-end frame jobs because you've inadvertently turned off some customers? Are you known as the poster framer—missing out on higher priced frame jobs because people don't trust you with their art?

Sometimes this analysis is difficult. The truth hurts... and helps. Take control of your positioning. Decide what you what to be and be consistent with your advertising, your product selection, staffing, and the look of your store.

I built up a large framing business not by just working hard, but by going through this process. You can't just want things to happen, you have to have a plan. Make that plan and frame it. Archival materials not needed—it shouldn't last long. ■

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