

Running a Clock Repair Shop & Estimating Repairs

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Most Horologists, especially "Clock Smiths" are charging way too little. This article addresses the full time Horologist but it can be useful for the part timers as well.

How to run a successful business is paramount, especially for the entrepreneurs who encompass many of our members. All of what I'm going to cover will work for the repair shop whether you are working from home or in a shop. Some of the information will not work for the retail operation and I'll try to point that out. Most can also be used by the watchmaker but I have no direct experience as a watchmaker.

Those charging at the high end are mostly people that have been in the business seemingly forever and are active in both AWCI and NAWCC. They are the ones with articles to publish, expertise to lend, and most are always willing to help another. They have no trouble in charging what they believe they are worth and I admire them for that.

The vast majority of Horologists charge way too little. They may be just starting out or have been in the business for a long time and these are the members that I want to address.

Starting Out

If you are just starting out please try to avoid being the cheapest shop in town. One could effectively argue that the person just starting out is learning on their customers' clocks and that is a good argument for low prices. However, if you are learning from your customers' clocks, then I suggest you do it as a hobby and not a full time job. Hold on to whatever full time job you have and don't take the plunge as a full time Horologist until you are comfortable with a wide variety of repairs. That is not to say that you will not be learning with each and every job and no one knows everything, just be sure to have a firm grasp on the repairs you are taking in.

Having a mentor is invaluable. AWCI and NAWCC are great resources for both clock and watch problems that cross your bench. Having Internet access can help in countless ways. NAWCC has a Web message board and AWCI has a Yahoo discussion group and there are other Yahoo groups, most notably Clocksmiths.

All of the above Internet groups and more can be found at:

<http://www.atmos-man.com/csignup.html>.

Please be sure to join one or more of these groups because you will have almost instant access to advice about everything from a particular repair problem to everyday business practices.

What to Charge

The typical argument for what someone charges is that the "guy down the street" charges X amount and we have to compete. Assuming that the "guy down the street" charges way too little and you charge likewise, you are effectively cutting both your throats because you have joined into direct pricing competition. Both of you will have to put in long hours and possibly get into a bidding war for the areas' work.

If you do meet or beat your competition's pricing scheme then you will be known as the guy who charges next to nothing and have the reputation as "the cheap shop". The cheap shop usually attracts the potentially problem customer who wants it all done, done immediately, and done correctly for next to nothing.

With this type of reputation, you are doomed to a life of working too hard for not enough money. By simply increasing your prices, you automatically eliminate most of these "problem" customers and you start to attract the type of customers who appreciate good work with a warranty.

I have trouble understanding why some people cannot grasp the reality that being an expert in any particular field demands that you charge for that expertise. Most cheap shops think that they must satisfy each and every potential customer that comes in the door and **that is the problem.**

Somewhere, I think it was in the Horological Times some time ago, I read the 20% rule. You probably have heard this but it states that every 6 months (or what ever time period you choose) you should increase your prices by 20%. Continue to do this until 20% of your potential customers are walking out the door. **When this occurs, then you have the correct prices for the area you are in and for your reputation.**

Stated another way, as soon as less than 20% of your potential customers are walking out the door it's time to increase your prices. The logic here is that if you retain 80% of your potential customers, at your higher rates, you will be working a lot easier for more money.

You could even change it to a 25% or 30% or even 33% rule. It's just a matter of guts and common sense.

Charging for Parts

Personally, I charge a minimum of 100% over my cost and up to 300% for installed parts. Sometimes my parts mark-up can exceed 1,000% but each part is treated on its own merits according to its rarity and the amount of time in acquisition.

The rarity of the part and the amount of time in acquiring that part are the key elements in what to charge. A mainspring will most always fall under the 100% to 300% range because of the ease of availability.

Parts made by another also fall into the 100 to 300% range for the same reasoning as above.

But rare parts, especially NOS (new old stock), can fall into the 1,000% range.

Sometimes you may have parts that no one else has and those parts are in demand. In that case, you could try a "what ever the market will bear" approach and 1,000% may seem like you are giving them away.

If no part is available and I do not have the expertise to make it and if there is no wheel specialist (horological machinist) that can make the particular part I need, then I'll have to either turn down the job or go to eBay.com or an NAWCC mart to acquire that part. You can be sure that I'll charge at least 1,000% over what I paid for that part or what I paid for that clock that I'll have to disassemble (cannibalize) for that particular part.

All I'm saying is that common sense is essential in what you charge for your parts because acquiring parts takes your time and is sometimes an art.

Charging for Labor and Estimates

Your labor should be your real money maker and not the occasional part. In my previous Adult Ed. Clock repair class, there were a few "professional horologists" in the group and I could see it in their eyes, when we talk about pricing, a "I wish I could charge what he charges" attitude, after I informed them of my pricing policy. No matter how hard I emphasized to them that their skills and training are just as valuable as mine, they stated the same old song about the "guy down the street". I just couldn't get them to understand that they want the guy down the street to take all those jobs they do not want to do and the jobs they don't have the expertise to do well.

There is no shame or defeat in telling a potential customer that the "guy down the street" can probably help them better than you can or that the "guy down the street" will be happy to do that for them because you don't do that type of work or that you don't have the experience with that particular clock or watch.

Another one of my rants is that I charge based on the number of trains the clock has rather than the inspected job. I call this my **flat rate charge**. Of course there are exceptions based on expertise (Atmos) and age (pre WWII), but for the most part I have flat rates. Meaning a one train (timepiece) is one price, a two train (T&S) is another price, a three train (chimer) is another price, fusees and 31-day clocks increase the base price and so forth.

Grandfather clock overhauls require at least two visits and therefore more of your time because you don't want the customer to bring in such a large clock.

In general, the same amount of time and effort is required for all T&S clocks and the same amount of time and effort is required for all chiming clocks. You can group the amount of time and effort much further to include all modern grandfathers, all antique long case clocks, all anniversary clocks, and all Atmos clocks and so on. The key is that similar clocks will require roughly the same amount of time to overhaul.

I only quote overhauls and no in-shop "clean and lubes" whatsoever. Clean and lubes are for "the guy down the street".

My definition of an overhaul is complete service and the quoted flat labor rate **includes** any part that I can make, or fix. I realize that some jobs will take longer than others but I feel that there is a real balance to the long and short jobs using flat rates.

With flat rates, I can eliminate most of the "problem" customers on the phone and before they get to my place of business. All of my ads, business cards, and phone messages state "by appointment only", thereby forcing them to call first. Once on the phone, I can ascertain the type of clock they have and give them a flat labor quote, without exception and without seeing the clock or taking the time in my shop for an inspected estimate.

I doubt that "by appointment only" would work in a retail situation. I work out of my home and cannot realistically address the retail situation.

If I have to send a part out to be made or purchase it, then that is added to the bill and the customer is informed of the needed service or part before anything further is done. I **never** assume approval by the customer for any add-ons in price.

Retail "Jail"

I mean no offense to our retail members but a strict repair shop should stay away from "set" hours. Especially if you are in a single person shop, like myself. If you have a partner or spouse, then set hours may work nicely.

A good friend of mine refers to set, open for business hours, as retail jail. Retail jail means that someone must be in the shop during your open hours. A single person shop cannot leave during these open hours and therefore you are in jail.

A single person shop should adhere to the "by appointment only" customer contact. Having set hours for the public to just drop by, hampers your work schedule and these interruptions can cause you to make mistakes that you may not otherwise make. Answering the phone is bad enough and answering machines are great in avoiding that, but a potential customer just showing up makes you drop everything and attend to that person's needs.

Appointments do have draw backs but they are essential. I'm sure most of you have made an appointment with a potential customer to stop by and have discovered that you are in a holding pattern. You may say to yourself, I can't start that or I can't finish this, because the customer is just about to show up and you would like to give that person your undivided attention.

At least with no set open hours the interruptions are minimized and you can be more productive at the bench.

Maintenance

When I first started in this business in 1982, everything I read and heard was that clocks needed periodic maintenance. I even went as far as to develop a data base where I would send a postcard to former customers every 3, 5 or 10 years. I'll not go into the details of what I believed required these time intervals for maintenance but the point is that the movement needed it and it was a generally accepted business practice in horology.

I'm defining routine maintenance as a periodic cleaning and lubrication of the clock movement.

On January 17, 1994, we here in Southern California, were awakened to a 6.7 magnitude earthquake at about 4:25am. The reason I point this out is because it changed my mind on maintenance forever. For the next 4 months, I did nothing but house calls on fallen or stopped grandfather clocks. Some I never serviced and some I serviced a few months to as many as 12 years before.

What I found astonished me. Most of the clocks were in the same shape as far as wear and tear. The only real difference was accumulated dirt. This told me that routine maintenance was a waste of the customer's money and not as urgent as I was lead to believe. What I'm saying is that routine maintenance does little to reduce the potential for a movement overhaul.

So now when a former customer calls and asks for a clean and lube, I ask them if there's a problem with the clock. If there is no problem, I then tell them that maintenance on their clock is not required and that when there is a "real" problem, I'll be glad to be of service. If the customer insists, then I perform and charge for a complete overhaul.

What I Charge and How I Determine What to Charge

I try to keep it simple. My base rate is \$300.00 per overhaul. To this I add a "factor" based on complexity and the amount of time I have to invest. These prices are always subject to change.

This is an example and not a suggestion on what you should be charging for your overhauls. Please keep in mind that I'm trying to convey a system for "instant" price quotes and not what you should be charging. Your base rate and your "Factor" are entirely up to you and it is the important part of the following table.

<u>My Overhaul Service</u>		Factor
400-day & all one train movements including electrics	\$300.00	X
Two trains (T & S), 1-spring Fusee	\$350.00	X times 1.17
Any 30/31 day clock & striking electrics	\$400.00	X times 1.33
Three trains mantel or wall, 2-spring Fusee, & the Atmos & chiming electrics	\$500.00	X times 1.67
Modern G/F (1945 - now)	\$600.00	X times 2
Reutter Atmos, 2-weight long case, 3-spring Fusee, Anniversary Atmos & Any special edition Atmos	\$750.00	X times 2.5
5-tube G/F, & antique three train G/F (Pre 1945)	\$900.00	X times 3
9 Tube G/F	\$1,400.00	X times 4.67

My "factor" is based solely on my experience and my estimation of time involved with a particular overhaul. As you can see, I like round numbers and the slightly skews the factor but you get the idea. Your experience and time involved will undoubtedly be different.

All prices do not include new parts or parts made elsewhere. All G/F prices include pick-up and delivery. All overhauls have a 2 year warranty except the Atmos which is 5 years.

So it's relatively easy. Just establish your base rate for any one train overhaul and then decide how much more work (time) is involved with the more complicated clocks.

I rarely just "clean" a clock unless it's a surface cleaning during a house call. By "surface" cleaning, I mean that I use tooth picks around and on the oil sinks and inside the plates where the pivot's shoulder meets the plate. Here I'm trying to remove as much dirt and old oil as possible without taking the movement apart. Taking the movement apart is the start of an overhaul and that is always done in the shop.

I'm now at the point where house calls are a pain and simply not worth my time. So I charge a somewhat outrageous rate for house calls in order to discourage the customer and if they okay the call then I'm financially grateful.

My House Call Service (surface cleaning and lubrication)

I stopped hour calls in 2011, so no updates past that year.

5-tube and higher G/F (within a 10 mile radius)	\$250.00
5-tube and higher G/F (within an 11 to 25 mile radius)	\$350.00
All other G/F's (within a 10 mile radius)	\$200.00
All other G/F's (within an 11 to 25 mile radius)	\$300.00

Over 25 miles is not worth my time and I suggest they find someone closer.

An additional wall or mantel if done at that time	\$100.00
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There is absolutely no house call warranty and the customer is advised of that before we make the appointment. With the price of fuel and the value I place on my bench time, any house call over 25 miles is simply not worth my time at any price. You will undoubtedly have a different view on what your house call distance limit will be.

On a personal note, I'm no longer making house calls unless the clock is a 2-weight tall case. The reason is that I can effectively service these clocks and all others will usually require several visits or have to come into the Clinic for an

overhaul. Considering the time on the road, I better off working at the bench rather than travel.

Covering Your Costs on an Expensive Overhaul

When a "quoted" job exceeds "X" amount of dollars because of "add-ons" such as case and dial refinishing and/or an exorbitant amount of needed parts, then you must collect for these "extras". The "X" is a dollar figure and is entirely up to you. This means that you will have a large cash outlay for those "extras".

In my particular case, the "X" is a quoted job that exceeds \$1,000.00 total. What I'm stressing here is that all of the "extras" should be paid for by the customer up front and before the parts are ordered and before the job takes place. Rather than get into a detailed breakdown of what they are paying for, I **collect 1/2 the total of the invoice**. This way if the job is never picked up, for whatever reason, you will not be out your "out of pocket" costs.

As an example, I had a job where my customer wanted their Atmos refinished with 24k gold and wanted the dial refinished, which added \$1,150.00 to the base labor rate. In addition, the other needed parts ended up costing the customer \$500.00 extra. If you add that to the labor and return shipping \$450.00, then all of a sudden the total job ends up costing the customer \$2,100.00.

I informed the customer that because of my large cash outlay in order to obtain the parts and needed services, I needed 1/2 the total or \$1,050.00 before I ordered the parts or sent out the case and dial to be refinished. The customer agreed and paid the \$1,050.00. If the customer had refused, then I would have **refused** the job because of the potential "loss" if the job was never paid.

Tracking Your Work

Okay, you now have a pricing structure and the work is stacking up. How do you track this work and establish an accurate turn around time?

I use a spreadsheet program. I assign all jobs with an invoice # that is unique to that job. It is essential that your invoices be numbered consecutively.

The information I place in the database, and you could do this easily by hand, is the first and last name of the customer, their address and phone #. Try to get both a home and work # if possible. Include a short description, the shorter the better, of their clock. Include any unique information such as a serial # or plate # or any other unique identifying marks. Record the date

the clock came in, as well as the expected date due. And finally input the invoice # and any pre-payment information.

This all fits on one line in the program, so when it is printed out then each customer's information takes only one line on the printed page.

I have an example of what the page looks like on the Internet and that address is:

<http://www.atmos-man.com/workschedule.html>

It really doesn't matter how you track your jobs, just be consistent and keep it as simple as possible. Please be sure to include that information with the clock or movement. Having it on a nice spread sheet, data base, or hand written sheet does little good if it can't be easily matched to the clock or movement. After all, these jobs will have to sit somewhere in your shop or home before you can make the time to work on them.

Make absolutely sure that the customer's invoice is as accurate as you can make it. **Record any cosmetic deficiencies** because this will save you headaches when the customer comes to pick up the clock. Each and every customer must receive a copy of the original invoice. That copy can act as a pick-up ticket and assures you that they have all of the information you have just recorded about their clock. The invoice will represent the work to be done, the condition of the clock at the time it came into your shop, cost of the overhaul, customer contact information, and expected due date.

The original invoice is given back to the customer when the job is finished, picked up, and **paid for** and I keep a copy. Both my copy and the customers original will be marked as paid in full. Also note how the invoice was paid (cash, check and its #, credit card, and so forth).

I do a lot of my work for customers that I never actually see. Most jobs come in via UPS or USPS. I **never** ship a completed job unless it is paid for prior to shipping. I discourage customers from pre-paying the work because my experience tells me that most of my incentive to do the work has been removed once it is paid for.

Determining Your "Turn Around" Time

Here's where I drop the ball more times than I care to admit. I'm talking about my turn around time, which is the expected completion date. I have no magic potion on how you can accurately tell your customer when the clock will be ready.

All I can say is be as honest as you can with your customers and as honest as you can with yourself. Many times I get

illusions of grandeur and "see" myself doing much more in a given day than what is realistic.

Don't be afraid to dramatically increase your turn around time. You must give yourself the proper amount of time to finish the job and do it right the first time. I'm sure most of you have talked to another in the business and they state that they quote a year or more for work in their shop. That didn't happen overnight and it states that, at least in their customer's eyes, that he/she is worth the wait because of their skill level and the quality of their work.

In general, the public views clock and watch repairing as an art and most don't mind the waiting period assuming the job is done right and done in the amount of time quoted, no matter how long that may be. A short turn around time boxes you into a corner and increases the stress of your job. If a customer can't wait your stated turn around time then tell them to see the "guy down the street".

If, for whatever reason, the customer will not take "no" for an answer, then I have a solution of sorts. If the customer insists that my turn around time is unreasonable then I say to them that if they will pay double my flat labor rate, they can have the completed work in half the time. You'll be amazed how this new information changes their attitude and most will wait. For those that agree, then you have just doubled your revenue by allowing that customer to be "moved up" on your work schedule.

Advertising and Communications

Another extremely important part of running any business is exposure and good communications.

I'm not going to try and suggest ways of getting maximum exposure but the most important are the local yellow pages and a Web page, especially for the beginner. You don't have to spend a lot but the point here is to get your name out there. My experience with the yellow pages is that it usually takes 2 or 3 years for it to start to "pay off". I have no idea why, it is just my experience and be sure that your Web address is listed.

As far as Web pages, I view these as a must. There is plenty of free help on the Internet to get you started, so take advantage of that help.

As far a communication, you must realize that we are in an instant gratification society. Meaning that if no one answers the phone or E-mail the potential customer simply goes to the next advertiser listed in the yellow pages or on the Internet.

So make sure that someone answers the phone before it goes to voice mail, when possible, and make sure that you check and respond to your E-mail **AT LEAST** 4 times a day.

During those 4 or more times reviewing your E-mail make it a point to update those current jobs that are in the shop. This keeps the customer at ease. I'm not saying to E-mail just for the sake of sending an E-mail but to update the customer when something new as developed, like, I just started "out of the case" testing and I expect that to proceed for X number of days.

As human beings, our tendency is to think the worse when we have no idea of what is going on. Alleviate that anxiety by making sure your customer knows what's going on both positive and negative. This will also put you at ease by knowing that your customer knows the **REAL** situation.

Good Will

Most of the above sounds like I'm a cold-hearted business person. We all have made an exception based on the customer's circumstances. As an example, if someone came into my shop and there was an obvious "quick" solution, like a broken suspension spring, I'd "fix" it on the spot and make sure that the clock was "in-beat". Then I instruct the customer on how they can place it in beat at home. I'll refer to this as a "charity" job.

At the earliest opportunity, I clearly state the overhaul cost to the potential customer. When I start the examination, I then state that if I find a quick fix, then the cost will be 10% of that overhaul rate.

I charge 10% of the overhaul charge **cash** for these charity jobs, and if they ask me "what do I owe you", most times I say forget it. This is one of the best ways to obtain a customer for life and the word of mouth is invaluable. But if another customer says thanks and starts for the door, which does happen with some frequency, I pipe up and say that I have a 10% of overhaul minimum, which is posted on a large banner in the shop, and collect the cash.

Charity jobs **never** carry any warranty what-so-ever.

The amount of your minimum is immaterial and the reason to establish a minimum is so the customer knows this is your business and your livelihood. Letting customers take advantage of your good nature will slowly put you out of business.

Stated another way, free work and free inspected estimates are for the "guy down the street".

Another bit of good will is giving the customer an operations manual on their clock. AWCI has, or used to have, a booklet called, "Clock Care and Setup" by Steven G. Conover. Operations manuals have been discussed in some of the Internet groups I have mentioned and that information should still be in their archives.

You could always write one yourself but if that information is available from another source then it's one less thing for you to do. Having it written down is vital because the spoken word to the novice, which most customer are, usually goes in one ear and out the other.

The "Modern" German Movement

It is generally accepted that German movements made from roughly 1975 to 1990 were of substandard quality. Manufacturers thinned plates, nickel plated pivots, and increased the use of plastic parts. Under the nickel plate is mild unhardened steel.

Trying to overhaul these movements is difficult because of the substandard materials and the softness of the steel under the nickel. In some cases, the nickel plating wears off in about 20 or 30 years. Most overhauls would require some repivoting or replacing wheels in every train. That would require an enormous labor effort and drive the cost of the overhauls up because of the unusual measures taken.

The sensible thing to do is to replace the movement, if available. Some manufacturers were better than others and I'll not identify which were which for fear of inducing someone's wrath. You'll have to discover which can be overhauled and which cannot by your own personal experience.

Personally, I don't replace movements because it goes against my training of keeping everything original regardless of quality.

If the movement is available, treat these jobs as part replacements, meaning triple the parts cost and add a labor charge. I keep the labor cost low because the profit, in this case, is made by the part cost. If the movement is a grandfather, then add the "normal" house call fee to all of the above, which is usually two calls because the movement had to be picked up initially.

If you do this then you can give the customer a choice of replacement or an overhaul. You should warn them that if you run into failing plated pivots then you will have no choice then to order and install a new replacement movement. Since worn plated pivots are "caught" very early in the overhaul process, don't tack on any extras if you find that the movement has to be replaced.

Don't give any breaks price wise, such as credit for the old movement or a larger break on labor and/or set-up.

What to Charge After a Few Years in the Business if You are a Sole Proprietor.

Now after a few years you need to review how things are going. There are a number of things to review like procedures, paper work, initial contact with customers, ordering, better use of your time and money and so forth.

But I stress the importance of reviewing your pricing structure. The difference is that now you have a Schedule C form from filing your taxes and if you don't then you should at least have an income statement or P & L (profit and loss) statement or something telling you if your making money.

On Schedule C you first have gross revenue less allowances and refunds. That figure is your gross income. Then you have line after line for expenses. Remember that EVERYTHING you spend on your business is deductible and should be listed in the expense sections of Schedule C.

The last line is your Net Income or your salary, if you will. That number is carried over to the 1040 form, the same as your gross income if you were working for someone else. It is this amount that you should be reviewing each year.

The way I review is by looking at the gross revenue number. I look at this because your expenses will not change all that much unless you expand or have a major purchase. And your gross revenue is something that you have direct control over.

So I look at my "salary" and decide what it should be and how to affect that gross revenue number to be the specific amount I need to arrive at my desired salary. Then I look at it from a daily or weekly revenue perspective.

Calculating Daily Revenue

First you must decide how many days (hours) you are going to work each year. Taking into account vacation, holidays, time with the family, potential illness, and days you just need a break. For the purpose here I'm deciding I'm going to work 10 months each year and 6 days a week.

That works out to be 304 working day a year. Let's further assume my gross revenue is \$50,000 per year. Divide that by the 304 and you get \$164.50 a day. So each day during my 6 day work week I must generate \$164.50 a day or \$987.00 per week.

But I've decided that I need \$75,000 in gross revenue. In order to increase my gross revenue by the \$25,000 needed I will

have to generate \$247.00 per day and if I need \$100,000 per year then I need to generate about \$330.00 per working day.

Now does my current pricing structure generate \$330.00 per day or \$1,975.00 of revenue per week?

There is only one of two ways to generate those numbers and one is working more hours (not likely) or raising your prices. Actually there is a third way and that is to hire or train help but I'm not going to get into that. A fourth way is to farm work out but I'll not get into that either.

I don't want to get mathematically deeper but you could dive much deeper and establish an across the board percentage to increase you pricing and just apply the math.

If you adopt my entire "system" then all you would have to do is change (increase) your base rate and let your "Factor" do the rest. When I run into numbers that are not to my liking as \$97.55, I just round up to \$100.00, so as to not become a slave to raw numbers.

However you do it, just do it. Make sure you are not working for anyone else but you and your family.

When to Say No

Most will say that the customer is always right and I say that the customer is rarely right. Knowing when to say no to a customer or potential customer is a hard lesson to learn but to be a success it must be learned.

Making a sale, whether it be retail or service, involves time. Time is the most valuable of all commodities. There is a theoretical point of diminishing returns and that means that at some point you are devoting too much time to a particular customer or job. The return on your time is slowly dwindling to where it's costing you money. It is in your best economic interest to "cut them loose" or become a slave to the now devalued dollar all because you put the customer ahead of yourself.

It will vary for all but that is the hardest lesson for all to learn. Trying to please everyone or complete every job has great merit as far as persistence but ends up costing you money and sometimes sanity.

On the rare times when I "let a job go" that has been sucking my time, I get a great feeling of relief and actually feel energized for the next job. Of course I would get an even better feeling if I finished the job and collected what's owed but there are times when that's out of reach and knowing when to move on is an on going learning curve.

It is for you to decide if and when to say no and I can assure you that it is a necessary and important part of running a successful business.

One could argue that it's goodwill and that has some merit but goodwill has little to do with putting food on the table and smart marketing will go much further than this type of goodwill.

Ethics

This is for each individual to decide and I'm going to ask you to bear with me as I state my ethics. We are the professionals and potential customers are the ignorant client. I **never** let the customer tell me what to do or what to charge.

People come to us to get advice on how to get their clock or watch repaired. It is up to us to assist them in a direction that is congruent with our own ethics.

Most want it as cheap as possible and in order to run a successful business you must resist the temptation to compromise your pricing or turn around times. Simply state the facts as you see them and let them decide what to do. This is how the 20% rule is put into practice. **Never** assume that the customer will not pay a certain amount. That assumption is akin to shooting one's foot.

If someone wants their mechanical movement replaced with a quartz movement, I tell them I will **not** do that and perhaps another will. I convey to them that they are the temporary owner of a manufactured piece that will most likely outlive them and it should be kept as original as possible and I'll not contribute to it's demise.

Doing questionable, quick fix, and/or unethical work is for the "guy down the street".

Suggestions and Summary

Don't be afraid to pick up the phone and call your competition. Offer to exchange your pricing schemes or better yet take him or her out to lunch and discuss your rates and other business matters. Your competitor is **not** your enemy and he/she should be a friend, at least in the business sense. After all, he/she may love to work on cuckoos and you may hate them. Find out what the others in your area like to work on, or specialize in, because you will end up with a horological network of sorts. With this local network, more of the local work will stay in your area and not be sent out of the area. This will greatly help all of you and your area will become known as the place to bring a clock or watch for service. If one shop can't help the potential

customer then the customer will be referred to another local shop that can help.

To summarize:

- a) Know your limits. Don't use a customer's clock to expand your knowledge on movements you don't fully understand or don't possess the expertise to overhaul properly. Referring or refusing work is NOT a defeat and will serve the customer much better.
- b) Establish flat rate pricing so that you can quickly quote a job with minimal customer input and hopefully over the phone, E-mail or stated on a Web page.
- c) Make sure that you leave some room for increases by making sure that any part(s) you purchase or have made by another is added to the bill and the customer must be fully aware of this possibility.
- d) Establish a mark-up for these parts and services. Anywhere from at least 100% to 300% is acceptable and make sure that you are comfortable with the mark-up and this information is only your concern and no one else's.
- e) Change your advertising, business cards, and phone messages to emphasize that you see customers by appointment only. Obviously, this will not work for a retail business.
- f) Don't take in the "clean and lube" work because you will probably end up overhauling the clock for the clean and lube price.
- g) If you are just starting out, then taking in the clean and lube work is a great way to get your feet wet and do it quickly.
- h) Increase your labor prices until 20 to 25% of your potential customers walk out the door. This is the most important part of this article.**
- i) Establish a base rate for the simplest clock and then multiply that by the amount of time over and above the time it takes you to overhaul that base clock. Then you have your factor for more complicated overhauls. This is not an absolute and it is important you get paid what you think you are worth rather than a seemingly complicated formula.
- j) In the occurrence of an inspected estimate where you take the movement out of its case, charge for this service unless the

customer decides to have you do the work. The customer is taking your time and that must be compensated.

- k)** Set a distance limit on house calls and set-ups.
- l)** Have 1/2 the invoice pre-paid if your cash outlay for parts and outside services exceeds what you are comfortable with.
- m)** Track your work using a data base program or hand written document.
- n)** Be sure that your quoted turn around time is accurate and will not cause you unnecessary stress.
- o)** Take on the occasional "easy" job to develop a positive reputation if you depend on work from your community.
- p)** Establish an in-shop minimum.
- q)** Advertise your skills and business.
- r)** Form and keep good communication habits.
- s)** Form a local horological network with your competition.
- t)** Give the customer a choice on replacement vs., overhauling the "modern" German movement made from 1975 to 1990.
- u)** Review your gross revenue each year.
- v)** Learn when to say no, especially to a time vampire.
- w)** Stay true to yourself.

This is a great business and one that will thrive because of the practically unlimited number of antique clocks and watches that have been in families for generations.

Another thing in our favor is the lack of quality that has been produced in clock movements since the mid 1970's. These movements will need our attention much more often than their antique counterparts. Repairing these modern clocks will provide a good income if you have the guts to charge what you are worth and stop trying to satisfy every single potential customer.

Know your limits, know your skills, seek to improve your skills, know the lifestyle you are trying to achieve and then charge accordingly for your particular skill and expertise.

Most of all have fun, enjoy, and run your business as a business.