

I Learned the Hard Way A letter from Julian Wise to Mike Adell & Susan Silk, MV SCORE



A letter from Julian Wise, a MV SCORE client, to Michael Adell.
(Mike and Susan were Julian's mentors)

Michael,

I want to take a quick moment to thank you again for your excellent assistance via SCORE when I was starting Island Images 3 years ago. I'm pleased to say that the business is still alive, I've moved into a new and larger location, and I'm looking forward to reaping some of the hard-won fruits of experience during the first 2 years. All of your advice was excellent. Rather than mention the areas where I listened to your advice and prospered, I'm going to mention some areas where I ignored it, charged forward, and had to learn the hard way.

1) The Location

You were spot on when you said being tucked away out of the main flow of foot traffic would be a liability. I thought that I could outsmart the old "Location Location Location" adage with some clever promotion, creative signage, and other gimmicks, and all of them fell flat. At the end of the day 95% of your sales will come from random walk-ins and the rest from people who seek you out, and that 5% isn't enough to keep things going. The lesson I've learned here is you can't make water flow uphill, and you should never pay for a liability(i.e. a poor location), only assets.

2) Asking the previous owner of the business to show their books for the last several years.

3) Scrutinizing the inventory I was buying with the old business.

4) Remembering that talk is cheap. Review your surroundings, previous marketing attempts and competition.

5) Keep opportunities open.

Last August there was a day where Circuit Avenue was packed shoulder to shoulder and

every store was filled to capacity while I had an entire hour go by where the only person venturing in wanted to know where the nearest bus stop was. I'd noticed the "FOR RENT" sign on the left side of the Edgartown Bank building across the street and decided, "What the heck..." I assumed the rent would be astronomical, but after talking to the Vice President of the bank I learned that it'd been sitting vacant all year long and they were very eager to get a tenant. Plus, they loved the idea of an art gallery rather than a bar or t-shirt shop. It took some negotiation, but we worked out a satisfactory arrangement in which the rent is not radically greater than the old location, it's locked in for 5 years, and I can do my business banking with them so paying the rent or making deposits is as simple as walking next door.

6) Evaluate previous owner's recommendations.

He did give me some excellent advice. One is that you need to have a broad selection of low priced items for the customers who don't want to spend \$300 on a framed print but would be happy to spend \$15-\$25 on gift items. His exact quote was "Always keep the cash register ringing." It's true- out of 20 people who walk through the door, only one will want the big ticket item. If the other 19 buy smaller items, you'll have a much better day than if they smile and say "It's lovely" and never come back again. The other advice was to own the rights to the artwork so you can print at will rather than have to wholesale or pay artist commissions. I had an overly large stable of artists I took on in the first two years, and I ended up getting rid of most of them because it was too complicated and expensive to do the paperwork and watch part of each sales dollar fly back out the door into an artist's bank account. Now the bulk of the business is made up of images I own the rights to, so the only expenses are printing and framing. This has increased profit margins, especially as I've learned how to reduce costs by sourcing different vendors and framing simple items myself.

Hopefully these lessons will be of use to any other clients you work with- I survived these mistakes, but I can also say "Mike was right!"

Best,

Julian

