

It is as if the world is always looking to buy its way into success. Whether it is in business, technology or merely day-to-day conversation the world loves to cloak itself in complexity. And the photographic industry is guilty of the very same crime - always listening to the promises of a new gadget or plan that, with mere possession alone, will guarantee permanent happiness and lifelong wealth.

Poppycock. Less is more. A simple, down-to-earth approach can, and will, prove to be the easier course to manage, easier to adapt and much more profitable for the professional photography studio of the 21st century.

Less is More.

Over the course of the past few years, the beauty and fashion industries have taken a sharp turn from extravagant trends set by European designers in the late 1980s and have created a small army of “naturalist” designers that live by a code involving the use of basic products and supplies and allowing knowledge and personality to develop and be enhanced by those products.

“I am drawn to the beauty of simplicity,” declares Cutis Phelps, Executive Director of Global Makeup Artistry for Bobbi Brown Cosmetics, Inc. “Makeup should make an individual statement, not an overstatement” (1).

Thus has the stage been set for photography studio managers and owners who desire the freedom of creativity with the passion of operating a profitable and successful studio. By utilizing a “less is more” mindset and striving for less complexity (i.e., the old saying....KISS - Keep It Simple, Stupid), then the studio owner is headed down the path of greater profitability - both monetarily and creatively.

Less Expense is More Profit.

The first rule taught to business students in university classes involves profitability. That being, the more you make and the less you spend the more you get to keep. This is outlined in the Encyclopedia of Business and Finance, a “guideline” used in college business courses.

The basic idea behind profitability pricing is to maximize profit. The basic formula for this objective is that profits equal revenue minus expenses ($P=R-E$). Revenue is determined by a product's selling price and the number of units sold. A company must be careful not to increase the price of the product too much, or the quantity sold will be reduced and total profits may be lower than desired. Therefore, a company is always monitoring the price of its products in order to make sure it is competitive while at the same time providing for an acceptable profit margin. (701).

When applying this concept in the photography studio, a manager simply needs to keep in mind that the less money spent on equipment, supplies, etc., the more profit he or she will realize at year's end. This concept is especially prevalent at this point in professional photography as many studios consider switching from film formats to digital formats.

Solely from a business standpoint and applying the principles of profitability outlined here, the digital decision wins, hands down. Digital cameras are considerably lower priced than film cameras that can produce the same quality of images in side-by-side comparisons. For example, the Fuji S-2 with a Tamron 28-108mm lens and a 340MB memory card and card reader prices at \$3430.95 (Tallyn's Professional Photographic, Peoria, IL, price book 2002) and can render an image at 16 inches by 20 inches with little or no digital noise and/or pixilation. A comparable film camera - the Mamiya RZ67 with a 180mm, f4.5 lens, prism, 120 film back with insert and camera stand prices at \$5,554.00 (Tallyn's). With the digital camera, there is the necessity of a computer, which averages at \$799.00 for an HP Pavilion AMD with 512MB ram and an 80GB hard drive. The addition of a Sony Multiscan monitor (\$379.00) and Adobe Photoshop 7.0 (\$588.99) (PC Mall, Costa Mesa, CA) brings the digital total to \$6197.94 - \$644.94 more than the film unit. However, the cost of the raw film at \$4.16 per roll (Kodak Portra NC 120) (Tallyn's) has not been factored in, while the digital unit can produce literally hundreds of thousands of images per memory card.

Those images, highly acceptable by consumer standards, cost the studio \$1.90 per raw, unretouched 8x10 through a digital lab service (White House Custom Colour, St. Paul, MN, price book 2003) while film services average \$2.50 (WHCC) for processing and \$3.80 (WHCC) for the raw, unretouched 8x10. Not factored into that equation is the proof, which averages \$0.65 (WHCC) and is generally required as a guide for the selection process

Those who argue that “time is money” have a valid reason to balk at a switch to the digital format. The learning curve for the digital process can be difficult and timely if no prior computer knowledge is possessed. However, with many labs charging up to \$9.00 per image (WHCC) to color correct and retouch an image, the photographer needs to have a very limited and basic knowledge of Photoshop and, in many cases, needs only to know how to transfer the images from the memory card to the computer and on to the lab. Programs such as Fuji's Studiomaster Pro make Photoshop unnecessary as they are an ordering system and allow the studio owner to pay the lab to retouch, crop and color correct - as was done in the film process.

Many studios today choose to employ and train individuals who can manipulate and process images and pay them a per hour rate that can still save the studio over what a lab may charge in a per image situation. Having an in-house employee is also an advantage for the studio as that employee can handle other duties while not on the computer and is specifically trained in the preferences of that studio, rather than utilizing preference training by the lab.

The decision of utilizing digital capture over film capture can be an easy one, where profitability is concerned. The hesitation over technology and education is an adaptation each studio owner must weigh. When the bottom line is the measuring guide, the simple answer of digital wins out.

Less Technology is More Creativity

Once the decision to become a digital studio is made, the “less is more” principle definitely kicks into high gear.

Those owners who have selected a less-gizmo model of digital camera have defined themselves as the individuals with more opportunities to create and less time worrying about the technology of the equipment. Equipment is simply a tool in the hands of a craftsman.

Business management author David A. Whitsett explains that, “efficiency is the principal measure of management effectiveness. People holding this view are sympathetic to mechanical and electronic revolution in the workplace....The practical assumptions underlying this view are reflected in such principle as....Get the work done at the appropriate level....simplify and streamline. Simple means easy and easy means lower costs...batch the work whenever possible” (Whitsett).

Utilizing those theories, photographers can work more creatively and efficiently when understanding the limits of the equipment without being bogged down by its technology. Those who use a digital camera in the “manual” mode can operate it in much the same way as any other portrait or 35mm camera. With the addition of the “batch” action in Photoshop 7.0, the photographer can have the computer working while he/she has moved on to the next session.

Those who seek to let technology occupy the time they might be spending with clients in the camera room will find themselves with less time to photograph paying clients.

Less Communication is More Unhappy Customers

In a survey on “Why Customers Quit,” the following results were discovered:

- Three percent (3%) move away
- Five percent (5%) develop other friendships
- Nine percent (9%) leave for competitive reasons
- 14% are dissatisfied with the product
- 68% quit because of an attitude of indifference toward the customer by the owner, manager or some

employee. The average business spends six times more to attract new customers than it does to keep old ones.

Yet customer loyalty is in most cases worth ten times the price of a single purchase. (LeBoeuf)

While it might be tempting to apply the “less is more” theory to marketing, the inverse is always applicable in this situation. The less communication with customers - and potential customers - the more

unhappy the customers will be. What most consumers need and want is information. What will it cost? What time frame is involved? What if I don't like it? Those studio owners who believe that a potential client will invest thousands of dollars in their work without asking the basic questions are fooling themselves. Even the "carriage trade" client - the mythical "rich man" that we all dream of having - has done the research. We may not have been a part of it, but that "rich man" didn't get rich by making poor financial decisions.

Communication between studio and client is everything from price lists to portrait lists. The more thorough the communication -- both written and verbal -- the more informed and satisfied your clientele will be. But it doesn't have to be complex; simple writing, simple policies will be both easy to understand and easy to adhere to.

Those studios whose pricelists resemble calculus problems are asking for troubles from the start. A simple "all inclusive" pricing structure, with an explanation -- not an itemization -- of what is included, will allow the customer to know what he or she is getting for that price. If retouching, print finishing and mounting are included in the price, list those items but don't list their individual cost, as it can become a source for "negotiation" if a client is attempting to trim the cost.

Travel agents point out that their most popular resort destinations are those that offer a "package" where airfare, lodging, transportation and sometimes even meals, are included in the "pay once" price. Travelers then have the responsibility of paying just once and relaxing throughout the vacation.

Constant communication of costs, policies and delivery times can take the anxiety out of both the photographic process and the purchase for the consumer and allow the photographer to fill those voids with anticipation and excitement.

Less Planning is More Catching Up

If studio managers and owners are going to both thrive and survive over the long haul (more than five years in the industry), then a simplified plan of action is a requirement. Without such a plan, those studios will be left in the dust, utilizing all their energies just keeping up with both technology and spending trends of their clients. In order to be profitable, the owner must take the time to look around and observe not only trends in the industry, but trends in the economy and society as well. A six-month and 12-month business plan is necessary to schedule, market and advertise promotions and events, but planning requires looking outside the industry at the big picture.

By 2025, nearly one-fifth of the American people will be sixty-five or older. What will that mean? Well, right off the bat, it means it'll be good to be old. How could it be otherwise? When boomers were young, youth was good. When they were middle-aged, a certain seasoned maturity was good. All of retailing --

stores, restaurants and banks -- is going to have to cater to us because we'll have the numbers and the dollars (Underhill).

Those simple observations in themselves should send up flares to photography studio owners. By analyzing what is being said, a studio owner can draw such conclusions as: (1) an increasing elderly population means more dollars to be spent on extended family portraits; (2) marketing of children/baby portraiture should more heavily include grandparents as well as parents; (3) sales of wedding portraiture to include not only parent albums, but grandparent albums. And so on.

By simply noticing the buying environment and community that surrounds us as well as riding the marketing of such larger corporations as McDonald's, GM and Marriott, we can learn to evaluate trends in marketing and society without hiring an outside marketing firm or spending an excessive amount of time tracking those trends. Studio owners can simply be aware of their own buying patterns and those of the community around them.

Less Imitating is More Opportunity.

What may be the simple answer is often not the easiest answer. As studio owners with multiple hats to wear, it oftentimes is simplest to purchase a prepackaged business plan, some new business software or attend a seminar that promises to create endless wealth but only ends up creating more confusion. The best of the easy answers is to take what works in that particular studio and tweak it to make it that much better.

Doug Hall in Jump Start Your Brain, says, "For every Simplese low-calorie ice cream, there's a Haagen-Dazs. For every Yugo, there's a Lexus. For every Mister Rogers, there's a Clint Eastwood. For every entrance, there's an exit. For every filet mignon, there's a slab of bologna. For every one-trick pony, there's a Secretariat. For every Stealth Bomber, there are a million paper airplanes. You get the idea" (Hall).

And so it is in the studio business. While it may seem simple to purchase an idea or promotion that some other studio has created, without the tweaking to adapt that idea or concept to the individual studio situation it may end up creating more work rather than more revenue.

Easy and simple should not always be used in the same sentence. It is easy to lay the Visa card on the table at a trade show. But it is not simple to make that promotion generate the same revenue it did for the proprietor of that trade show booth.

Adaptation, however, is as easy and simple as you want it to be. By utilizing what is already working in

the studio in regards to marketing, advertising and communication, it is easy to take the concept of a children's promotion with live animals and create it to fit a particular studio environment. It is not simple, however, to completely reconstruct your studio around a concept.

Those studios who have suddenly abandoned what has "always worked" for the concept of "one big-fat customer" are finding that the void between the two can be very dry and lonely. Those studios that represented many facets to a large population of customers (the large volume-lower price theory), and have now transformed themselves into low volume-high price studios are finding that the loss of a small percentage of their customer base can result in a hard financial blow. The studio that relies on 20 clients per year for 90% of the profit cannot afford to lose 10% of its client base, while a studio that relies on 200 clients per year spread over the 90% can lose 10% of its client base and not suffer the fall felt by the low volume studio.

Less Size is More Volume.

As simple as it may be, the fact is that it is much easier to sell one two- and-a-half inch by three-and-a-half inch wallet than it is to sell one twenty inch by twenty-four inch wall print. Not only can you make a case for easier storage, but price alone is a major factor in the sale.

So why is it that so many professional photographers and their salespeople work and sweat and strain to make that one large wall print sale? Why do they buy large screen televisions and create separate viewing rooms designed especially for this particular type of sale? Has no one ever weighed the cost of the sale to the cost of the item that is being sold?

Wallets (the two-and-a-half inch by three-and-a-half inch portraits), on the other hand, can be viewed and sold in a much smaller, less costly environment. And while the initial cost listed on a price sheet may not be nearly as much, the cost of selling wallets is much less than a large wall portrait, thus allowing the profit to be much more substantial.

Take the average high school senior portrait as an example. On a three-quarter length portrait of a senior girl with average skin the retouching cost may be slight, if any. As the head size is very small, tiny blemishes are not going to show up on a wallet, allowing the photographer to order the prints through the least expensive category offered by the lab. If a digital image is utilized, the retouching cost is also spared, as is the time to prepare the image with the exception of creating it to the correct dimensions.

The wall portrait, however, will require maximum retouching, along with print finishing and possibly

even some corrective artwork to smooth the skin surface. It will also require some type of mounting in preparation for framing, which can substantially increase the shipping cost on such a print. Wallets, meanwhile, require only die-cutting and can be packaged in stacks to be shipped in smaller containers.

The key, however, to the wallet vs. wall portrait argument lies in the end use marketing aspect. For this explanation, we will say that one 20x24 wall portrait is equal to 100-2 1/2 x 3 1/2 portraits of the same subject. That wall portrait will undoubtedly be hung in a home or office where it will be viewed by members of the family and visitors to that home. Over the course of one year, an average home may have up to 75 different visitors, which means that 75 different individuals have viewed the work. The wallets, however, were all handed out to different individuals and have already been in the hands of 100 different individuals. If half of those who received wallets show that wallet to one other person, then 150 different individuals have viewed the work -- twice the number that viewed the wall portrait.

This may be a crazy and against-the-grain approach to sales; however, when every sale is directly linked to a future sale, a studio owner needs to determine how to most efficiently optimize sales time. If it takes a salesperson two hours to create a \$500.00 sale and that salesperson makes \$10.00 per hour, along with a 10% commission on the sale, there is already \$70.00 taken right off the top, along with any taxes and other charges the state and federal governments may seek to take. That means that before any lab bills have been paid on the order, it has already been diminished to a \$430 order.

If it takes a salesperson thirty minutes to generate a \$500.00 sale and that salesperson makes \$10.00 per hour, along with a 10% commission on the sale, only \$55.00 is taken right off the top, less the government's share.

Consider this also. If it takes a salesperson thirty minutes to generate a \$500.00 sale and that salesperson makes \$10.00 per hour, along with a 10% profit sharing rather than commission, then the initial cost to the sale is only \$5.00. Staff members who share in the profit learn how to share in the expense as well. Their salaries cut into the profit margin, therefore they can understand how and why working more efficiently helps the bottom line, thus giving them a greater return. Profit sharing is a tool to promote efficiency and profitability in a company, rather than the competitiveness and the "sell-at-any-cost" attitude often generated by commission sales.

Overall, when a company uses a volume-pricing objective, it is seeking sales maximization within predetermined profit guidelines. Volume pricing can be beneficial to a company because its products are being purchased on a large scale, and large-scale product distribution helps to reinforce a company's name as well as

to increase its customer loyalty (701).

Less Change is More Spoilage.

There are so many different ways and outlooks on professional photography today that one cannot possibly hope to adapt a studio to each and every one. And for the most part, photographers are guilty of one of two crimes: too much change or not enough.

Those who are guilty of too much change drift from technology to technology, style to style, gadget to gimmick in hopes of imitating whoever is “hot” in the industry. If they need fancy filters, they buy them and subject all of their clients to that new technique. If they need black clothing, they buy it all. But nothing lasts very long due to the fact that they don’t take the time to adapt and develop that particular style or concept to their studio. It would be like making soup with all the ingredients except the broth. Nothing mixes together and you eventually have to throw it out.

Good soup, however, begins with a solid broth and other ingredients and flavorings are added -- one at a time -- until the mix is just right. That soup is then allowed to simmer -- constantly being stirred -- until it reaches perfection.

Such is a good studio. A solid, simplistic business base is the beginning. Different techniques, styles and outlooks are the ingredients. With that constant stirring and mixing, all those techniques are allowed to blend together, supported by the business base.

Don’t get the idea that change is bad, though. Change is good. We often move the furniture with the excuse of “finding new ideas” that fell underneath a table or chair. But we aren’t completely trashing the old furniture and buying new...we are moving what we have to see the world from a different perspective.

Simple, cost-effective and yet giving us the change that we need.

Rieva Lesonsky, Editorial Director of Entrepreneur magazine, said it best in her September 2002 editorial. “...Successful entrepreneurs are never content to rest on their laurels. No matter how accomplished they are, they’re constantly seeking the next best thing - not necessarily a new business... - but simply new ways to do whatever they’ve been doing...Keep your eyes and ears open and apply what you see to your business.”
(Lesonsky)

CONCLUSION

Less is more. A simplified, common sense approach to any business can help that business run more efficiently and more productively in the long run. What many photography studio owners fail to realize is that they are not only creators, but managers as well: both cooks and chefs, responsible for the basic nutrition of their studio along with adding those ingredients that separate fast food eating from gourmet dining.

But it needn't be difficult or complicated. Whether using a digital camera or determining a profit margin, basic common sense should prevail. Starting with the smallest common denominator is always the best place to begin. And living by the creed, "Less is more," will make everything much easier.

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