
Your Bottom Line

By Dr. Henry J. Oles, Cr. Photog.

Indiana pro doubles bottom line with one-hour lab

I predict that the merger of the new one-hour lab with the traditional portrait studio will be the next major trend in professional photography. The union will create a high-tech operation that simplifies portrait photography and may introduce studio owners to the amateur film processing business. This newly-born concept is beginning to take hold across America.

Recently, I met a true pioneer in this new profit-making area, Indiana photographer Lester Wilson. For eleven years Wilson piloted a traditional, small-town mom-and-pop operation. Years ago, he foresaw the coming boom in one-hour processing and dared to combine a minilab with his studio.

How did it all begin?

Wilson was frustrated by the ten-to-fourteen-day delivery for proofs and the even slower service on custom prints he received from a local professional color lab. In addition, the town had no local one-hour operation to handle amateur processing needs. If he processed both his own negative and amateur film, Wilson felt that he and his staff of five could make a minilab operation profitable even though his community has a limited population.

Initially, local bankers didn't agree. They doubted Wilson could profit from one-hour processing, but with persistence, the photographer secured a Small Business Administration loan with a seven-year payout. To service both Wilson's professional and consumer requirements, he purchased a Yokoyama MLK 810 system, which handles color negative film sizes from disc to 120-format and produces wallet-size to 8x10-inch prints. He installed his new unit two years ago and the lab was an instant success, generating a profit from the day it was plugged in.

Today, Wilson processes an average of twenty-eight amateur processing rolls of film per day. He estimates that the first thirteen rolls processed daily generate enough profit to cover the monthly equipment payment. In addition, he uses the minilab printer to earn another \$600

to \$800 a month in amateur enlargement sales.

Wilson's minilab operation offers him an added bonus: it has allowed him to obtain direct accounts with both Eastman Kodak Company and Fuji Photo Film, U.S.A., Inc. and he buys many photography supplies as a photofinishing dealer.

He now sells about 10,000 rolls of film a year to amateurs and professionals. And, of course, he uses the one-hour system for his own professional studio processing in order to offer portrait studio clients one-hour service for proofs and one-day service on enlargements. In addition to fast turnaround, he cut his material costs from 67 cents per proof to less than 8 cents.

Wilson's customers are thrilled with the results. His photography sales have increased, especially portraits sold as last-minute gift items purchased just before holidays or birthdays. The photographer also processes his own high school prom packages, which can be delivered on the Monday morning after the prom. In some cases, he displays the morning and afternoon portions of a wedding album at the evening reception!

Wilson can run 600 proofs in 2½ hours with less than two dozen remakes. He also produces most of his own studio enlargements, which has cut his annual lab bill from \$23,000 to approximately \$5,000.

In addition, Wilson performs some wholesale processing for other area professional photographers. "At first," he says, "other professionals brought me work only when they had an emergency...and even then only with great reluctance and apprehension. But, now I am starting to do more than just their emergency work. I believe there is a real market for wholesale professional work, at least in the area of quick proofing." Wilson adds, "It's more important to get the proofs out quickly. Enlargements can still be made by a professional lab and delivered later."

Once Wilson operated his new lab ef-

ficiently and profitably, he saw a market for E-6 process transparency film developing in his community, and purchased a Yokoyama E-6 system for \$19,000. His first job—to process more than 18,000 dupes for DePauw University, garnered \$5,500 in sales.

Does the purchase of a one-hour lab loom in the future of every professional studio photographer? Certainly not. Wilson warns that "It isn't easy...you are going to have to put in extra hours or hire additional help and learn quite a bit about equipment maintenance...but it has made me more independent and enabled me to better service my customers and double my yearly profit. Before I purchased a one-hour minilab system, my sales were satisfactory, but flat. Today, I wouldn't do it any other way."

Lester Wilson is a classic example of an enterprising pioneer with an venturesome spirit, in more ways than one. His camera room is equipped with the latest high-tech tools, including front projection background equipment. His office accommodates two IBM PCs for word processing. And, Wilson is on the lookout for any new operation or technique that could upgrade and offer profit potential to his business.

All photographers should emulate his willingness to grow and learn, for Lester Wilson proves that in a free enterprise system, we have the opportunity to control our own bottom line. 